

**2002-2003**

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**OPERATING BUDGET**

**CITY  
DEPARTMENTS**

# Airport Department

Ralph G. Tonseth, Director of Aviation

## M I S S I O N

**T***o meet the air transportation needs of the community in a safe, efficient, and cost-effective manner*

### *Core Services*

#### **Community Air Service**

Provide necessary infrastructure and air services to meet identified business, leisure, and economic development needs of the region

#### **Airport Customer Service**

Ensure the Airport users have a good travel experience by having adequate access to the Airport; convenient and available parking; clean, safe, and user friendly facilities; and a variety of quality choices for travelers services while at the Airport

#### **Airport Environmental Management**

Manage the environmental impact of the Airport on the community to ensure that it is a "good neighbor" as it meets the air transportation needs of the region

**Strategic Support:** Communications, Human Resources, Financial Management, Information Technology and Training

# Airport Department

## Budget Summary

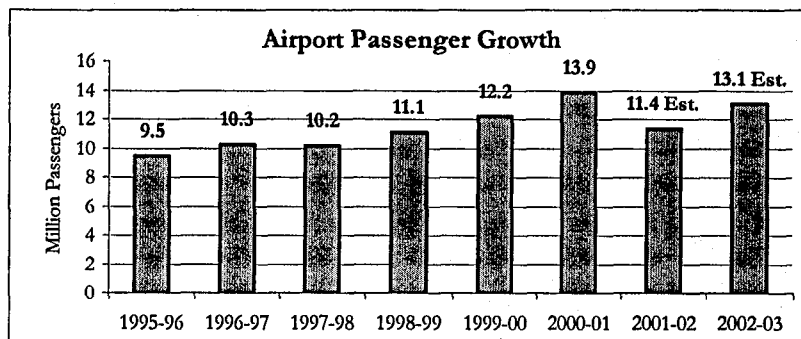
	2001-2002 Adopted	2002-2003 Adopted	Change
Authorized Positions	393.50	403.50	2.5%
Department Budget (All Funds)	\$ 66,649,258	\$ 67,807,386	1.7%

## Budget Highlights 2002-2003

- Addition of nine staff and non-personal/equipment to support maintenance and operation of the Federal Inspection Service (FIS) Facility, opening in the fall of 2002. In addition, the ongoing redeployment of six facilities positions was approved to augment staff to maintain the 70,000 sq. foot facility.
- The defunding of 31 vacant positions and over \$6 million in non-personal/equipment support and services was approved to offset decreases in Airport revenues. These positions impact all CSA outcomes and department core services.
- Property lease contingency of \$3 million has been included to fund use of vacant land on an interim basis to support Master Plan implementation.
- Funding shift of 3.5 Airport Acoustical Treatment Program (ACT) staff. Capital funding is available through Passenger Facility Charge Fees to support the team, allowing operating funds to be reduced. In addition, one position has been redeployed from the engineering section to provide increased support to the expanded ACT program.
- Security Programs Operating Reserve has been set at \$4.6 million. The Transportation Security Administration (TSA) is newly responsible for many of the security mandates; specific programs and costs of services and funding determinations have yet to be finalized. As a result a reserve has been estimated and funded.

**B**udget  
Byte

**2000-2001 Passenger traffic reached an all-time high of 13.9 million. The impact of the events of September 11 and the local recession are projected to result in an 18% decrease in passenger traffic in 2001-2002. The 2002-2003 budget forecasts growth of 15% (to 13.1 million passengers).**



# Airport Department

## Department Overview

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**N**orman Y. Mineta San Jose International Airport and the various internal and external Aviation Services City Service Area (CSA) partners have faced unprecedented challenges this past year, and these challenges continue. The September 11 terrorist attacks changed not only the way the customers think about air transportation, but also the way the Airport must operate, manage, and communicate. Across America airport and aviation-related facilities are facing the new challenge of aligning a number of new expenses with a reduction to activity-based revenues. The Airport's short-term priorities changed radically in September. Whereas just a year ago, the focus was on implementing the Airport Master Plan while continuing to serve almost 14 million passengers, the Airport must now consider airline and rate stability, predict when the economy will rebound and develop and plan for facilities and equipment to meet critical security and customer dwell time demands.

The Airport's mission statement "To meet the air transportation needs of the community in a safe, efficient, and cost-effective manner" remains consistent, as do the Aviation CSA Outcomes:

1. *The Airport is the region's first choice for air transportation services.*
2. *Travelers have a positive guest experience while using the Airport.*
3. *Businesses consider the Airport as a partner in supporting the success of the regional economy.*
4. *The Airport is considered to be a "good neighbor" by the community.*

The 2002-2003 Adopted Operating Budget for the Airport is also consistent with the priorities and objectives set out in the

Aviation CSA. The budget is a part of the strategy to face the profoundly different environment that the terrorist events caused. The Aviation CSA has identified the following strategic priorities for 2002-2003:

- Regulatory Compliance
- Security
- Customer Efficiencies
- Good Neighborhood Support
- Reallocation of Resources
- Reasonable Airline Rates and Charges
- Master Plan Compliance and Implementation

The Adopted Operating Budget provides a strategy that seeks to address lower passenger traffic levels over the intermediate term, while still attempting to provide customers with quality services at reasonable rates. In addition, the Airport needs to address new or expanded service needs, such as additional acoustical treatment neighborhoods, increased security mandates and increased passenger dwell time related to security.

In order to address the financial situation resulting from reduced revenues and higher costs, the Airport has sought reductions to existing programs. From that effort, 31 vacant positions were temporarily frozen and will not be funded in 2002-2003. Over \$6 million in non-personal/equipment funding was also temporarily reduced for 2002-2003. These short-term reductions are necessary to offset the dramatic drop in revenues, while protecting critical customer services and filled positions. It is anticipated that as activity and revenues increase, positions and non-personal/equipment funding will be added back to meet the demand for services.

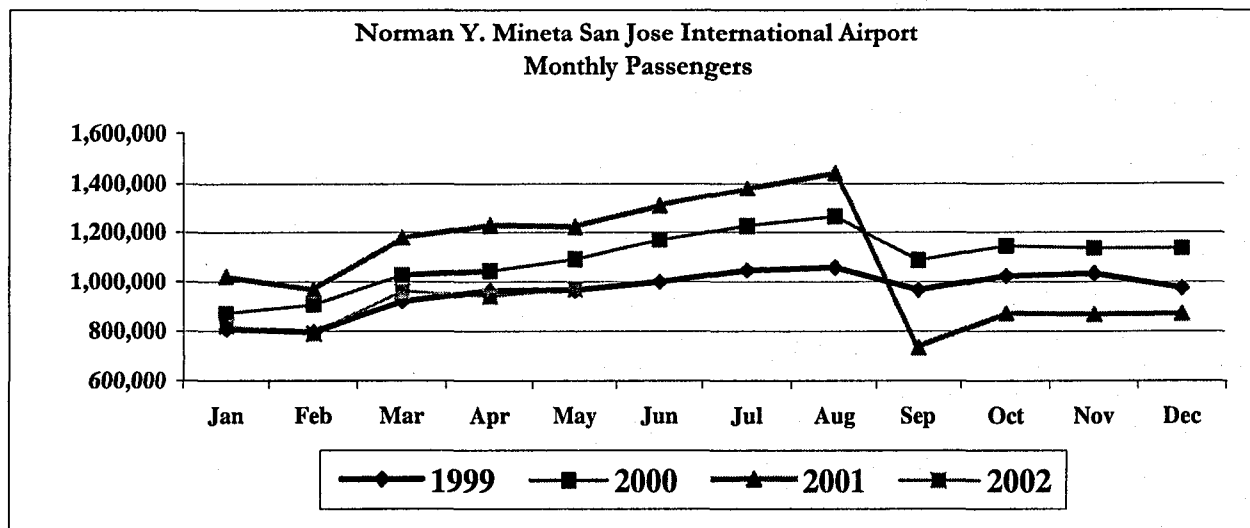
## Airport Department

### Department Overview (Cont'd.)

The Adopted Operating Budget provides one significant operating addition: funding for nine new positions to support the Federal Inspection Service Facility. In addition, six (6) positions will be permanently redeployed to assist in providing maintenance to the new facility. The Airport also included reserves to fund security mandates and a contingency for the lease of land to support Master Plan implementation.

As presented in the graph following the Budget Highlights section, 2000-2001 showed record levels of passenger activity. Not only was the local economy flourishing, air service was expanding, competition among air carriers led to great prices and in many ways flying had never been more convenient. Predictions for a slow down in the economy

were coming true, but the events of September 11 were overwhelming, and the long-term toll on passenger confidence is still an issue. In September 2001, traffic at San Jose fell by 32%, after August growth of 14%. Since that time the Airport has seen some recovery; however, San Jose still lags behind other airports in the recovery, mainly due to effects of the local recession on business travel. As presented in the graph below, the changes to monthly traffic provide a dramatic view of the impacts of September 11 as well as the recession and the slow recovery of passenger activity since that time. The Airport is forecasting passenger decreases of 18% in fiscal year 2001-2002 and growth of 15% in 2002-2003, or approximately 13.1 total million passengers in 2002-2003.



The 2002-2003 Adopted Operating Budget reflects a decline in revenues from the prior year due to a staggering economy as well as the effects of the events of September 11. As a result, expenditure reductions, which include the defunding of 31 positions, were approved to reflect the change in the revenue stream.

Overall, the Airport has experienced very little growth in its operating budget from the prior year (1.7%). The growth is due to an increase in personal services funding of 6.5%, offset by a decrease of 1.3% in non-personal/equipment funding from the 2001-2002 Adopted Operating Budget level.

# Airport Department

## Department Overview (Cont'd.)

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The non-personal/equipment budget includes approximately \$2.3 million in annualized adjustments previously approved by City Council, including the 2001-2002 Mid-Year Budget Review that provides adequate private security for parking facilities and background checks. In addition, a one-time reduction to the Airport's Maintenance and Operation Fund's non-personal/equipment budget in the amount of \$5.0 million was included.

Airport revenues are derived from various user fees: landing fees, terminal rentals, parking and concession fees, ground leases and building and space rentals. For 2002-2003 the Airport's landing fee will increase only slightly from \$1.33 to \$1.34 per thousand pounds. Average rental rates for space in Terminals A and C will increase from \$99.97 to \$121.88 and from \$64.51 to \$65.68 per square foot, respectively.

The City is committed to ensuring that rates and charges are reasonable – recognizing the valuable economic resource that the Airport brings to the region.

Revenues from the Rental Car Customer Facility and Transportation Fee have decreased significantly (30%) from 2000-2001 levels. Although revenue growth of 4% is anticipated for 2002-2003, the shortfall between expenses and revenues is projected to continue. One-time use of reserves, as well as increased contributions by the rental car companies (approximately \$680,000) will be necessary to fully fund even the reduced level of shuttle bus hours that were approved.

There are still many unknown financial and operational implications that have yet to be determined associated with security measures and the Airport Master Plan. The Adopted Operating Budget has been prepared to provide the City with the financial flexibility to address both the unknown and known

challenges that lie ahead, while meeting critical needs for air transportation in the 21<sup>st</sup> Century.

### Community Air Service

The Community Air Service core service is responsible for Airport facility and infrastructure planning and promoting the development of air service to the region. During 2001-2002, the Airport opened the new Runway 30R; and upon completion of the reconstruction and extension of Runway 30L, the Airport will have two full-length commercial runways. Completion of a Federal Inspection Service facility is anticipated in the fall of 2002. This infrastructure will help enable the Airport to provide air service at levels acceptable to the community, as well as streamline operations and enhance customer service.

The economic slowdown and the terrorist attacks of September 11 have resulted in the loss of air service at the Airport, including international flights to Paris, Taipei, and Toronto. Because international service provides significant economic benefits to the region, 2002-2003 air service development program resources will be focused on regaining these and other flights with economic ties to Silicon Valley.

In 2002-2003, the Airport will continue constructing infrastructure projects discussed above in order to support air service. However, the overall decline in passenger activity and the corresponding decrease in revenues will limit the Airport's ability to improve existing and construct additional infrastructure. In addition, a significant level of funding for promotion of new air service has been eliminated as a result of budget reductions. Despite these challenges, the Airport remains committed to meeting the region's air service needs, particularly

# Airport Department

## Department Overview (Cont'd.)

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### Community Air Service (Cont'd.)

providing and enhancing service between strategic business markets.

### Airport Customer Service

The primary focus of the Airport Customer Service core service is to ensure that passengers have a positive overall experience while using the Airport. This consists of providing a multitude of services including convenient access and well-maintained facilities. Even prior to September 11, this core service faced many critical and difficult challenges: aging infrastructure, year-after-year of double-digit passenger growth, limited technological infrastructure, expanded business amenity requests and construction space constraints.

The events of September 11 brought new and much more critical changes to the Airport--the way customers use the Airport changed over night. Security systems were expanded, checkpoint lines needed to be managed with staff, sworn law enforcement was required at various locations throughout the Airport, additional curb and traffic management was required, and non-ticketed Airport visitors were restricted from access to gates. Most critical to the Airport, airlines and other tenants was to ensure that all the new expectations were successfully communicated to Airport passengers and guests. These changes were implemented at a time when reduced revenues required cost and service delivery reductions.

Since September 11, the Airport continues to face significant challenges. However, successful implementation of security and communication programs have had a positive effect on customer service. Even with a 12% vacancy factor, or approximately 50 vacant positions, the Airport continues to directly

enhance passenger service with the Airport Ambassador program, which allows Airport Department staff to ensure that its customers can access flights with as much ease as possible. The Airport has been able to accomplish this due to the reduction in passengers and operations as well as the patient understanding of its guests. As passenger volume returns to pre-September 11 levels, it will be necessary to immediately begin filling positions or accept significantly lower levels of passenger service quality and convenience.

The Airport Customer Service Adopted Operating Budget defunds current vacant positions on a one-time basis and reduces non-personal/equipment by approximately \$5 million. Non-personal/equipment reductions include a large decrease to shuttle service hours, parking collection costs, and contractual and consultant services. In order to continue to meet expectations, staff redeployments have been made to provide the best possible service levels. As traffic levels and revenues increase, Airport will seek approval to restore staffing levels where necessary.

As noted earlier the Federal Inspection Service Facility is expected to open in the fall of 2002. The Adopted Operating Budget provides nine new staff to provide curb management outside the facility. Security mandates require that vehicles are not left unattended near the Terminals. In addition, six facilities staff will be redeployed from existing custodial and building maintenance activities in order to support the new building.

### Airport Environmental Management

The Airport is committed to being considered a good neighbor in the community, and has throughout the past year continued to implement significant programs in order to

# Airport Department

## Department Overview (Cont'd.)

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### Airport Environmental Management (Cont'd.)

minimize the impacts of operations on the community.

The Acoustical Treatment Program (ACT) has been expanded to include homes in the Washington-Guadalupe neighborhood located within the measured noise contour, but not included in the original program. An initial group of 300 homes will be bid for construction this summer. Construction will begin on acoustic treatment for the Washington Elementary, Sacred Heart, and Center For Employment and Training schools this summer. A "clean up" group of approximately 110 homes that did not sign up initially for participation in the original Category I Program will also begin construction this summer. A revision to the Airport's Noise Exposure Map, which is the basis for setting treatment areas, is being updated to add homes in the Rosemary Gardens and Fairway Glen neighborhoods to the ACT Program.

The Adopted Operating Budget includes the redeployment of 3.5 positions from the Airport operating funds to Airport capital funds to support the department's expansion of the ACT program. To date, the Airport has dedicated over \$70 million in funding to the ACT Program, and an additional \$60 million is included in the capital budget over the next five years to complete expanded areas.

During 2001-2002, the Airport Neighborhood Services Group (ANSG) was established to work in the City's neighborhoods as a partner with the Strong Neighborhoods Initiative (SNI) to minimize Airport impacts and serve as an advocate for residents. The group has facilitated interactive educational community meetings and assisted in addressing neighborhood concerns. As a result, the department has received valuable input from the community that has been incorporated into Airport operations and development. The community benefits by the Airport's linking residents to other City services and the Airport benefits by the opportunity to educate and inform the community of Airport issues, activities, and programs.

The Airport has continued in its efforts to reduce air emissions associated with its operations and to be a leader in the use of alternative fuel vehicles. A new fleet of compressed natural gas (CNG) powered shuttle buses is scheduled to be placed into service by spring of 2003, along with an on-Airport CNG fueling station, that will be accessible to Airport ground transportation providers and the public. Construction of a "one-way loop" through the Airport is scheduled to begin in 2002-2003, reducing traffic congestion and associated emissions resulting from idling vehicles. Also, the vehicle fleet used by Airport staff has continued to be converted to CNG powered vehicles as replacements are made. These efforts will result in significant reductions in emissions from on-Airport operational activities.



# Airport Department

## Department Budget Summary

	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Community Air Service	N/A	N/A	\$ 1,420,958	\$ 1,146,782	N/A
Airport Customer Service	N/A	N/A	52,129,252	47,170,605	N/A
Airport Environmental Mgmt	N/A	N/A	3,652,711	3,282,076	N/A
Strategic Support	N/A	N/A	17,251,380	16,207,923	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,454,301</b>	<b>\$ 67,807,386</b>	<b>N/A</b>
<b>Dollars by Program</b>					
Finance & Administration	\$ 13,586,535	\$ 14,905,628	N/A	N/A	N/A
Development	4,156,884	4,833,757	N/A	N/A	N/A
Facilities	16,020,005	16,989,303	N/A	N/A	N/A
Operations	23,568,923	28,759,897	N/A	N/A	N/A
Master Plan	758,294	1,160,673	N/A	N/A	N/A
<b>Total</b>	<b>\$ 58,090,641</b>	<b>\$ 66,649,258</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 22,178,060	\$ 25,709,243	\$ 28,940,853	\$ 27,369,922	6.5%
Overtime	547,586	345,574	366,310	366,310	6.0%
<b>Subtotal</b>	<b>\$ 22,725,646</b>	<b>\$ 26,054,817</b>	<b>\$ 29,307,163</b>	<b>\$ 27,736,232</b>	<b>6.5%</b>
Non-Personal/Equipment	35,364,995	40,594,441	45,147,138	40,071,154	(1.3%)
<b>Total</b>	<b>\$ 58,090,641</b>	<b>\$ 66,649,258</b>	<b>\$ 74,454,301</b>	<b>\$ 67,807,386</b>	<b>1.7%</b>
<b>Dollars by Fund</b>					
Airport Maint & Opers	\$ 52,588,305	\$ 59,568,891	\$ 67,401,155	\$ 61,700,752	3.6%
Customer Fac & Trans Fee	4,681,521	6,033,453	6,040,794	4,815,438	(20.2%)
Capital Funds	820,815	1,046,914	1,012,352	1,291,196	23.3%
<b>Total</b>	<b>\$ 58,090,641</b>	<b>\$ 66,649,258</b>	<b>\$ 74,454,301</b>	<b>\$ 67,807,386</b>	<b>1.7%</b>
<b>Authorized Positions</b>	<b>358.50</b>	<b>393.50</b>	<b>394.50</b>	<b>403.50</b>	<b>2.5%</b>

Note: The City of San Jose is in the final year of a three year transition to a Performance-Based Budget. As a main step in the process, all departments and City Council appointees identified their major lines of business or "Core Services" delivered to customers. Departmental budget sections are now presented by Core Services, rather than Programs, with performance measures and adopted budget changes detailed. For fiscal year 2002-2003 (as part of the budget transition), Program information is now only available for the display of 2000-2001 Actual and 2001-2002 Adopted Budget data.

# Airport Department

## Budget Reconciliation

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)
<b>Prior Year Budget (2001-2002):</b>	393.50	66,649,258
<b>Base Adjustments</b>		
<b>One-Time Prior Year Expenditures Deleted</b>		
● Rebudget: Portable Trailer Purchase		(40,000)
● One-time funding for Data Processing Costs		(177,000)
● One-time funding related to AVI Consultant Contract		(50,000)
● One-time funding related to Facilities and Operations Positions		(28,500)
● One-time funding related to Acoustical Treatment Program Positions		(16,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(311,500)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>		
● Salary/benefit changes and the following position reallocations:		3,159,415
- 15.0 Airport Maintenance Worker to Facility Repair Worker		
- 2.0 Airport Mktg. and Promotions Officer to Mktg. and Public Outreach Manager		
- 1.0 Analyst II to Senior Analyst		
- 1.0 Analyst II to Safety Officer		
- 1.0 Associate Engineer to Associate Civil Engineer		
- 1.0 Associate Engineering Tech. to Engineering Technician		
- 1.0 Associate Engineering Tech. to Environmental Services Spec.		
- 1.0 Bldg. Maintenance Supt. to Sr. Geographic Systems Specialist		
- 2.0 Engineer to Civil Engineer II		
- 1.0 Groundworker to Maintenance Assistant		
- 1.0 Maintenance Worker to Maintenance Assistant		
- 1.0 Marketing Representative II to Mktg. and Public Outreach Mgr.		
- 7.0 Mktg. Representative II to Mktg. And Public Outreach Rep.		
- 1.0 Office Specialist II to Senior Office Specialist		
- 5.0 Staff Technician to Staff Specialist		
- 1.0 Training Specialist to Analyst II		
- 1.0 Word/Micro Processor Operator to Office Specialist II		
● Transfer of 1.0 Network Technician from Information Technology	1.00	74,931
● Intern program increase		18,000
● Annualization and increase for security-related costs		2,381,500
● Financial, aviation and legal support services		832,000
● Shuttle operations contract increase and COLA		675,312
● Rental of office space at 1732 N. First Street		361,334
● Shuttle bus operator/shuttle bus maint. contract svcs. for rental car		245,067
● VTA contract for Airport Flyer Program		173,360
● Parking ticket machine maintenance contract increase and COLA		87,282
● Runway rubber removal and special ramp cleaning increase		85,720
● Increase in other utilities costs		83,250
● Jetways and baggage conveyors maintenance contract COLA increase		45,077
● Rental of boom truck for airfield lighting maintenance		30,000
● Automated vehicle identification (AVI) system transponders increase		20,000
● Digital maps maintenance agreement, support and update services		19,618

# Airport Department

## Budget Reconciliation (Cont'd.)

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)
<b>Base Adjustments (Cont'd.)</b>		
<b>Technical Adjustments to Costs of Ongoing Activities (Cont'd.)</b>		
● AVI maintenance contracts		20,750
● COLA increase for elevators/escalators maintenance contracts		15,129
● Computer equipment maintenance increase		12,604
● Contract custodial services COLA increase		7,383
● Increase in uniform allowance costs		5,040
● Handlift maintenance agreement		5,000
● Rates and charges consultant services agreement COLA increase		3,900
● Annual audit COLA increase		3,132
● COLA increase for Quarterly Noise Reports consultant services		2,575
● Uniform laundry services		1,388
● Bank of America fiscal agent services increase		1,383
● Noise monitoring site addition		1,375
● Maintenance contract COLA increase for PASSUR system		740
● Oracle site license increases		537
● Change for costs of ongoing activities		83,555
● Change in insurance costs		359,382
● Change in electricity costs		129,000
● Change for vehicle maintenance and operation costs		143,649
● Change in overhead costs		(968,845)
● Change in gas costs		(3,000)
<b>Technical Adjustments Subtotal:</b>	<b>1.00</b>	<b>8,116,543</b>
<b>2002-2003 Forecast Base Budget:</b>	<b>394.50</b>	<b>74,454,301</b>
<b>Investment/Budget Proposals Approved</b>		
<b>Community Air Service</b>		
- Aviation Business Contractual Services		(201,328)
- Master Plan Staff Support		(59,568)
- Reallocation of Facilities Staffing	(0.06)	(13,155)
- Department-Wide Travel and Training Reduction		(125)
<b>Community Air Service Subtotal</b>	<b>(0.06)</b>	<b>(274,176)</b>
<b>Airport Customer Service</b>		
- Parking Operations Contract		(1,430,000)
- Parking Shuttle Service Contract		(1,250,810)
- Facilities Program Reduction		(1,241,300)
- Rental Car Shuttle Service Hours		(1,225,356)
- Communication Awareness Campaigns		(371,740)
- Airfield Safety and Security		(323,900)
- Development Division Engineering Staff		(279,162)

# Airport Department

## Budget Reconciliation (Cont'd.)

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)
<b>Investment/Budget Proposals Approved (Cont'd.)</b>		
<b>Airport Customer Service (Cont'd.)</b>		
- Reductions in Airport Communication Center Services		(247,530)
- Gate Management Service		(115,533)
- Redeployment to Support Acoustical Treatment Program	(1.00)	(105,815)
- Department-Wide Travel and Training Reduction		(13,753)
- Federal Inspection Service Facility Maintenance and Operation	9.00	1,631,263
- Redeployment of Facilities Program Staff to Support Federal Inspection Service Facility	0.37	31,489
- Access Control System Maintenance Service		(16,500)
<b>Airport Customer Service Subtotal</b>	<b>8.37</b>	<b>(4,958,647)</b>
<b>Airport Environmental Management</b>		
- Environmental Services Support		(189,116)
- Postponement of Public Outreach Programs		(158,000)
- Department-Wide Travel and Training Reduction		(2,063)
- Acoustical Treatment Program Funding Shift	1.00	68,544
- Information Technology Program Reduction		(90,000)
<b>Airport Environmental Management Subtotal</b>	<b>1.00</b>	<b>(370,635)</b>
<b>Strategic Support</b>		
- Department-Wide Non-Personal/Equipment Support		(248,661)
- Facilities Program Reduction		(111,053)
- Information Technology Maintenance Contracts		(97,000)
- Airport Safety Training Program		(84,619)
- Airport Human Resources Support Services		(70,268)
- Department-Wide Travel and Training Reduction		(50,878)
- Business Development Printing and Mailing Costs		(36,813)
- Redeployment of Facilities Program Staff for Federal Inspection Service Facility	(0.31)	(22,553)
- Financial Advisor Consultant Services		(281,900)
- Master Plan Staff Support		(39,712)
<b>Strategic Support Subtotal</b>	<b>(0.31)</b>	<b>(1,043,457)</b>
<b>Total Investment/Budget Proposals Approved</b>	<b>9.00</b>	<b>(6,646,915)</b>
<b>2002-2003 Adopted Budget Total</b>	<b>403.50</b>	<b>67,807,386</b>

## **Airport Department**

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### **Core Service: Community Air Service** *City Service Area: Aviation Services*

#### **Core Service Purpose**

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**P**rovide air services necessary to meet identified business, leisure and economic development needs of the region.

#### **Key Operational Services:**

☐ **Air Service Needs**

☐ **Airport Facility and Infrastructure Planning**

#### **Performance and Resource Overview**

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**T**he Community Air Service core service strives to make the Airport the region's first choice for air transportation services, and to partner with businesses to support the success of the regional economy. The Airport helps to achieve these outcomes by providing the necessary facilities to support a diverse mix of air carriers, flight frequencies, and air cargo services. The regional economy is dependent on economical air transportation for passengers and cargo. In order to maintain the competitiveness of the Silicon Valley area, necessary air transportation services must be provided. Norman Y. Mineta San Jose International Airport is committed to providing these services and to continue to be an economic lynchpin for Silicon Valley by tying the region to key domestic and worldwide markets.

The Community Air Service core service contributes to the Aviation CSA outcomes:

- The Airport is the region's first choice for air transportation services;
- Businesses consider the Airport as a partner in supporting the success of the regional economy; and
- Travelers have a positive experience while using the Airport.

Despite the budget constraints resulting from both the downturn in the local economy and the terrorist attacks, two customer service capital projects will be completed during 2002-2003. These projects, the opening of a new Federal Inspection Service facility and the reconstruction of Runway 30L, will provide the community with more reliable air service and improved customer service.

The airline industry has experienced severe financial difficulties since the events of September 11. As a result, airline flight schedules are in a constant state of flux, significantly affecting Airport air service. The current number of flights at the Airport is approximately 80-85% of the level of service provided prior to September 11. Aviation industry analysts are projecting that a return to pre-September 11 service levels nationwide may take as long as two years. At San Jose, discontinued domestic service was primarily to well-served destinations. The discontinuation of international service to Paris, Taipei and Toronto represents the most significant service loss since September 11.

# Airport Department

## Core Service: Community Air Service

*City Service Area: Aviation Services*

### **Performance and Resource Overview (Cont'd.)**

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Because a typical international flight provides hundreds of millions of dollars in economic stimulus to the region, the reinstatement of these flights is a top priority. The discontinuation of these flights has led to an 8% decrease in the percent of customers rating their ability to reach desired international destinations via non-stop service as good or excellent.

The 2002-2003 Adopted Operating Budget temporarily reduces funding dedicated to the Airport's air service development program. However, the Airport will continue to strive to meet the region's air service needs by seeking additional service to unserved or underserved markets with strong economic ties to Silicon Valley.





Estimates for 2001-2002 activities reflect the nation-wide impact to air services, as well as the loss in customers resulting from the local recession. Local business travel has been significantly reduced since last summer. In addition to the change in business climate, a change in business practices has been noted, including increased use of teleconferencing and shorter business trips (for example limited Saturday stay overs), and increased use of corporate jet travel.

For 2002-2003, airline cost per enplaned passenger will decrease from \$4.10 to \$3.95. This decrease is primarily due to the reduction in program operating and capital expenditures and supports the goal to keep costs down and rates and charges reasonable, thus ensuring that business and travelers appreciate Norman Y. Mineta San Jose International Airport as the region's first choice for air transportation service.

# Airport Department

## Core Service: Community Air Service City Service Area: Aviation Services

### Performance and Resource Overview (Cont'd.)

Community Air Service Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 Air Service Market share	21.4%	21%	21%	20%
 Airline cost per enplaned passenger*	\$3.42	\$6.03	\$4.10	\$3.95
 % of customers rating the frequency of air service good or excellent	69%	70%	72%	72%
 % of customers able to reach desired destinations from the Airport	67%	80%	65%	70%

\* Enplaned Passengers are those passengers boarding an aircraft in scheduled service, including originating, stop-over or connecting service.

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Total number of annual Airport passengers	13.9M	14.5M	11.4M	13.1M
Total number of annual operations	282,900	286,000	223,000	226,000
Total number of annual enplanements	6.9M	7.2M	5.7M	6.5M
Total airline cost	\$23.7M	\$43.3M	\$23.3M	\$25.8M
Total regional air service market	53.2M	65.7M	54.7M	65.5M

Community Air Service Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 649,114	\$ 585,049	N/A
Non-Personal/Equipment	N/A	N/A	771,844	561,733	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 1,420,958</b>	<b>\$ 1,146,782</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>7.50</b>	<b>7.44</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Airport Department

## Core Service: Community Air Service

*City Service Area: Aviation Services*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
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#### THE AIRPORT IS THE REGION'S FIRST CHOICE FOR AIR TRANSPORTATION

##### 1. Aviation Business Contractual Services (201,328)

As part of overall budget reductions, a one-time decrease of \$201,328 in funding for contractual services in Business Development and Community Relations was approved. This reduction represents 31% of the total contractual amount dedicated to air service development, including economic analysis and marketing support of strategic routes. (Ongoing savings: \$0)

##### Performance Results:

**Customer Satisfaction** Currently, Airport flight schedules are at approximately 80-85% of pre-September 11 levels. Customer satisfaction with international service has decreased by 8% since last year. The reduction of this funding could affect the Airport's ability to seek reinstatement of key routes, which may result in further decreases in customer satisfaction.

##### 2. Master Plan Staff Support (59,568)

This one-time reduction decreases funding for a vacant Senior Planner assigned to Master Plan Implementation (0.40 FTE Strategic Support/0.60 FTE Community Air Service). Due to the current airline financial situation, the Airport Master Plan has experienced some delays in projects previously scheduled for this time period. While it is expected these projects will return to the Master Plan schedule within the next 12-18 months, the current impact of this vacancy is minimal. (Ongoing savings: \$0)

**Performance Results:** N/A (Service Never Implemented)

#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT

##### 3. Reallocation of Facilities Staffing (0.06) (13,155)

A one-time reduction to the Community Air Service core service funding for an Electrician (0.06 FTE) and a Painter (0.04 FTE) was approved. The reduction is necessary due to funding constraints. In addition, the redeployment of an Electrician (0.06 FTE) assigned to existing building maintenance service activities to provide the support necessary to the new Federal Inspection Service (FIS) facility was approved. This position has been transferred to provide services in the Customer Service core service and represents a reduction in facilities staff available to provide electrical services Airport-wide. (Ongoing savings: \$5,036)

##### Performance Results:

**Customer Satisfaction** Reductions in electrical and paint staff will reduce the amount of time devoted to assisting Master Plan contractors with development and construction. Master Plan project delays mean that the impact of the vacant positions is minimal. The redeployment of one Electrician position (0.06 FTE) has an ongoing impact to the Airport Customer Service core service and will result in future delays to the Master Plan projects.



# Airport Department

## Core Service: Community Air Service City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

#### 4. Department-Wide Travel and Training Reduction (125)

Department-wide travel and division training funding have been reduced by approximately 25% as a cost savings measure. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Reduction will limit opportunities to learn and investigate new technologies, new programs, and reduce opportunities to gain from information sharing, networking and benchmarking.

2002-2003 Adopted Core Service Changes Total	(0.06)	(274,176)
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## Airport Department

### Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Core Service Purpose

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**E**nsure that Airport users have a good travel experience by having adequate access to the Airport; convenient and available parking; safe and user-friendly facilities; and a variety of quality choices of travel services while at the Airport.

#### Key Operational Services:

- ☐ Airport Services
- ☐ Airport Facilities

- ☐ Airport Access

### Performance and Resource Overview

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**T**he Airport Customer Service core service contributes to the Aviation Services CSA's desired outcome that "travelers have a positive guest experience" while using the Airport. The core service contains the majority of the Airport's access services to the landside and airfield, infrastructure services and safety/security components. The events of September 11, changed the customers' airport experience dramatically not only at San Jose but nation-wide. The goal of this core service is to provide outstanding customer service in all forms - a friendly, clean, safe travel experience, efficient airport access, improved facilities and amenities through construction and contractual services, and public awareness of how to use the Airport effectively. This is the department's largest core service, containing approximately 67% of all staff and 74% of the non-personal/equipment budget.

September 11 and the impact of the local recession have significantly changed the service levels and customer expectations in this core service. With the reduction in activity-based revenues, the Airport has frozen vacant positions and significantly decreased non-personal/equipment expenditures. These reductions have led to service level reductions in all areas. Of greater impact on the customer are the new security mandates. Enhancement of passengers rating facilities as good or excellent will be extremely difficult with the combination of service reductions and new security mandates presented in the Adopted Operating Budget. No longer can a person ("meeter/greeter") meet a passenger at the gate. For example, in Terminal A, a "meeter/greeter" does not have access to areas beyond the security checkpoint, which includes restaurants, shops and services, and the seating area to wait for an arriving passenger is limited. In Terminal C, holdrooms beyond two of the three checkpoint areas do not have access to restrooms or shops. At various times, security checkpoint lines are long and the new processes are invasive to some customers. Although the majority of passengers and guests understand the necessary changes, the customers want the problems resolved as soon as possible. Changes to satisfaction levels with amenities and travel time will be extremely difficult without major capital improvements.

In order to provide a high level of service and amenities to the traveling public, the Airport seeks new ways to do business, becoming a flexible organization that can balance a large number of

# Airport Department

## Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Performance and Resource Overview (Cont'd.)

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competing priorities and customer issues. The Airport is required to balance customer and tenant needs for services with a host of federal requirements. The focus for 2002-2003 is to ensure that customer services provided throughout the facilities, services and programs are of the highest quality possible, given the limited funds available and to ensure that security programs protect not only Airport customers but also meet or exceed federal mandates. The challenges include:

- **Security** – Of major concern has been the long lines at security checkpoint areas. Over the course of the year, the Airport has enhanced and expanded the existing five checkpoint areas in order to reduce the time necessary to screen passengers and carry-on bags. The successful Airport Ambassador Program, in which existing department staff commit approximately 8 hours monthly, provides essential assistance to customers by clarifying new security mandates during peak travel periods. Security at the curb, parking areas and various points throughout the Airport has been enhanced to meet increased security requirements.
- **Facilities** – Prior to September 11, the major concerns with Airport facilities were infrastructure maintenance, cleanliness, lack of space and the need to coordinate construction with ongoing operations. Since September 11, other issues have become apparent. For example, in Terminal A, there are no concessions or waiting areas available for non-ticketed guests. In Terminal C, hold room areas beyond two of the three security checkpoint areas have no restroom facilities. In Terminal A, long lines for check-in regularly extend through the garage and staff must be provided to ensure the passengers cooperate and arriving passengers can move through the terminals to the baggage claim area. Baggage needing to be screened is done without privacy screens. Terminal design constraints have meant that little can be done to permanently correct these limitations. The Airport continues to explore opportunities to enhance facilities and better serve customers. Currently, the Airport Ambassador Program provides the most effective support to enhance service but the impact to ongoing operations with the level of vacant positions is high.
- **Ground Transportation** – Funding constraints and lower passenger levels have required a reduction in shuttle service hours for both the Parking and the Rental Car programs. Currently, Rental Car Shuttle Service has been reduced by approximately 20% and Parking Shuttle Service has been reduced by 15% of pre-September 11 levels. As of April 2002, the impact on parking customers has been minimal but the impact on Rental Car customers has been noticeable due to peak period concentrations of customers. The Airport and contractors have worked conscientiously to meet the needs of all customers but with limited funding available from the Rental Car Customer Facility and Transportation Fee (flat rate fee of \$5 per contract), increases to the recommended level of service will depend on significantly higher fees from the rental car operators.
- **Airport Access** – Regulations and security requirements continue to be updated on an ongoing basis and new directives of the Transportation Security Administration (TSA) are to be expected. As requirements change, the Airport seeks to work with the Federal Aviation

# Airport Department

## Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Performance and Resource Overview (Cont'd.)

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- **Airport Access (Cont'd.)**

Administration (FAA) and TSA on how to best meet the requirements while maintaining convenient access. As recently as mid-April, the Airport was approved to modify parking restrictions in the garage and short-term parking lot. Not only will these changes decrease congestion at parking entrances, but there will be a significant reduction in the need to staff vehicle inspections.

- **Communication** – Improving information delivery to customers remains a challenge. The Airport continues to utilize low-cost alternatives, such as the Airport website to effectively provide information to customers and the community.
- **Federal Inspection Service Facility (FIS)** – This replacement of passenger and federal agency office space will provide enhanced access and services for international travelers. The current facility consists of a group of trailers, which are located some distance from the terminals.

The Airport vision continues to be to meet customer needs with a high level of service and to create and maintain a positive gateway for the City of San Jose and the Silicon Valley. The Airport's efforts in this core service are to provide essential services – such as clean, safe and secure operations and facilities, sound financial operations and infrastructure that meet customer's needs. All Airport Department employees are actively involved in developing new processes, implementing programs to cut and control costs, while redeploying existing staff to meet the highest priority services.

### Performance Measure Development





The Airport has changed the core service Performance Measure: “% of the average travel time from Airport entrances to the terminal gate as good or excellent”, to “% of customers rating their travel time from the Airport entrances to the terminal as good or excellent”. The original item is not considered measurable, as it includes passenger activities that are not within the Airport's control, specifically the time it takes for passengers to go from the entrance of the terminal to the gate. Security protocols are being constantly updated and continue to make a varied impact on the amount of time passengers wait once inside the terminal. The new measure will continue to measure the customer's opinion of their Airport access experience.

Security requirements continue to be updated regularly. The Airport will reassess performance measures for security and regulatory compliance in the upcoming months. Further, the Airport is waiting for direction from the FAA regarding the recent federalization of checkpoint staff and recent changes in federal law. The Airport expects to present new performance measures associated with changes to security requirements and regulatory compliance once federal directives are finalized.

# Airport Department

## Core Service: Airport Customer Service City Service Area: Aviation Services

### Performance and Resource Overview (Cont'd.)

Airport Customer Service Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of time public parking is available	98%	100%	100%	100%
 % of passenger amenities within 10% of off-Airport prices	72%	75%	72%	70%
 % of customers rating their travel time from Airport entrances to the airline terminal as good or excellent	54%	70%	59%	50%
 % of customers rating the Airport's amenities as good or excellent based upon availability, quality, and cost	60%	70%	63%	65%
 % of customers rating the Airport's facilities as good or excellent, based upon availability, condition, and cleanliness	80%	75%	78%	65%
 % accountability on active security clearance badges (SIDA)	99%	100%	100%	100%

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Average number of hours per month parking is available	712	400	712	712
Total number of hours parking lots are operated per month	720	720	720	720
Average travel time from Airport entrances to the airline terminal	<15 min	-	<15 min	<30 min
Total number of annual Airport passengers	13.9M	14.5M	11.4M	13.1M
Total number of annual operations	282,900	286,000	223,000	226,000

# Airport Department

## Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Performance and Resource Overview (Cont'd.)

Airport Customer Service Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 18,696,664	\$ 17,468,902	N/A
Non-Personal/Equipment	N/A	N/A	33,432,588	29,701,703	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 52,129,252</b>	<b>\$ 47,170,605</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>276.05</b>	<b>284.42</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT

##### 1. Parking Operations Contract (1,430,000)

A temporary reduction in costs associated with the Parking Operations contract is possible as a result of the decrease in parking activity. The current contract for service provides for the Parking Operator payment to be calculated on percent of revenue collected. The drop in parking activity and revenues results in a corresponding decrease to contractual service costs. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Given current activity levels, this reduction has no impact to service and performance levels. As revenue increases, contract payment adjustments would be necessary.

# Airport Department

## Core Service: Airport Customer Service

City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 2. Parking Shuttle Service Contract (1,250,810)

The one-time reduction of parking shuttle service hours from the base level of 110,000 to 90,000 annual hours is necessary to offset significant reductions to Airport revenue. Shuttle service is provided between the terminals, the parking garage and the west-side long-term parking lot. This level of service has been in place since October 2001 and reflects a 25% reduction in passengers using parking facilities. Service cost reductions include decreased operator hours, fuel and bus maintenance. (Ongoing savings: \$0)

#### Performance Results:

**Cycle Time** The reduction represents an 18% decrease in annual base shuttle operating hours. Time intervals between shuttles at the 90,000 hour level of service are currently at 5-8 minutes and at 110,000 hours intervals are 3-5 minutes. **Cost** The reduction represents a 15% reduction to total program costs.

**Customer Satisfaction** An increase in complaints during peak business hours. The percentage of passengers rating the travel time to the terminals as good or excellent has decreased to 50% from the 2001-2002 target of 70%. As passengers increase, the Airport anticipates adding hours to meet growth.

##### 3. Facilities Program Reduction (1,241,300)

This one-time reduction represents the defunding of \$824,050 in personal service costs (12.39 FTE) and \$417,250 in non-personal/equipment funding to reduce overall Airport costs. Supplies are reduced by \$178,750 and contractual services by \$238,500. The positions are vacant and would provide the following services: facility administration, clerical support, electrical, paint, maintenance and custodial services. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Less non-personal/equipment resources and reductions in electrical, paint, maintenance and custodial staff will have a threefold effect on facility customer service: 1) the reductions make it difficult to raise work order completion rate above 61%, 2) Higher maintenance costs may result due to delays and equipment breakdowns over the long-term, 3) Facility cleanliness and appearance and customer satisfaction will suffer.

# Airport Department

## Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 4. Rental Car Shuttle Service Hours (1,225,356)

The one-time reduction of rental car shuttle service hours from the base level of 70,000 to 53,000 annual hours is necessary to offset significant reductions to revenue in the Customer Facility and Transportation Fee Fund. Shuttle service is provided for rental car customers between the terminals and the rental car center lot. This reduced level of service has been in place since October 2001 and reflects a 30% reduction in monthly car rental contracts. It should be pointed out that the number of passengers utilizing shuttle service has remained fairly consistent over time, due to more customers sharing vehicles and less business travelers. Service cost reductions include decreased operator hours and bus maintenance offset by higher insurance costs. (Ongoing savings: \$0)

#### Performance Results:

**Cycle Time** The reduction represents a 24% decrease in base annual shuttle operating hours. **Cost** The reduction represents a 20% reduction to total program costs. **Customer Satisfaction** An increase in complaints during peak business hours has occurred. As rental car business increases additional hours may be necessary, if funding is available. The percentage of passengers rating the travel time to the terminals as good or excellent has decreased to 50% from the target goal of 70%. The new target has been set at 50% due to the significant reduction in bus hours and new security processes.

##### 5. Communication Awareness Campaigns (371,740)

A one-time decrease in funding was approved for a vacant Marketing Representative II (\$93,920) position added in 2001-2002 to support Master Plan construction communication programs and the one-time reduction of contractual services funding (\$277,820). Contractual services reductions include postponing advertising campaigns and production of information materials designed to make customers aware of Master Plan projects and how to successfully use the Airport during construction. A one-time reduction was also approved for maintenance of an in-terminal information kiosk. In addition, the Airport has temporarily discontinued production of flight guides, instead publishing the schedule on the Airport Web Page. It is anticipated that as activity levels and revenues return to normal that funding can be reinstated and these projects will resume as previously planned. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Significant changes in security and flight schedules have made it increasingly important for the Airport to provide the public with timely information. These reductions will impact the Airport's ability to provide information and may result in lower customer satisfaction.



# Airport Department

## Core Service: Airport Customer Service City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 6. Airfield Safety and Security (323,900)

The one-time reduction in funding of three vacant Operations Supervisors and one vacant Operations Specialist position was approved and is anticipated to impact the Airport's ability to enhance safety and security on the airfield. These positions were added last fiscal year and have remained unfilled. Delays in hiring the Operations Specialist position restrict the Airport's flexibility of expanding FAA-mandated security programs. In 2002-2003, the Airport will continue to maintain, but not increase, the current level of training and enforcement of the Security Identification Display Area (SIDA). The defunding of the Operations Supervisor positions restricts the Airport's ability to improve safety and response times for both airfield and terminal by limiting the Manager-on-Duty (MOD) program to one position per shift. (Ongoing savings: \$0)

#### Performance Results:

**Quality** The reduction of the Airport Operations Specialist position restricts Security Compliance program activities to 40 hours per week instead of the operational service goal of 60 hours per week. **Cycle Time** The reduction of the Airport Operations Supervisor positions limits the percent of time airfield and facilities patrol are performed to 38% per shift versus the operational goal of 90% per shift. In addition, the Airport will be unable to reduce average response times for calls requiring MOD action from 15-20 minutes down to 3-5 minutes. **Customer Satisfaction** The availability of Federal Aviation Administration (FAA)-required security training classes will remain at 12 times per week versus our intended operational service goal of 15 times per week.

##### 7. Development Division Engineering Staff (279,162)

The one-time deletion of funding was approved for three vacant Development Engineering positions (Associate Engineering Technician, Associate Architect, Engineering Technician) valued at \$249,162 as well as \$30,000 in contractual services for signage associated with Master Plan construction. The reduction is necessary due to fiscal constraints. (Ongoing savings: \$0)

#### Performance Results:

**Customer Service** Reduction in funding available for signage will result in a decrease in the ability of the Airport to provide adequate signage, particularly as it relates to construction improvements. This reduction will impact overall customer satisfaction measures regarding ease of use of facilities and adequacy of facilities. Position reductions would lead to delays in implementation of planned signage improvements. **Cycle Time** Position reductions also impact the ability of the engineering section mapping group to provide services to internal customers for drawings and mapping services. These reductions will result in a one year delay in the implementation of the Airport's Integrated Mapping system.

# Airport Department

## Core Service: Airport Customer Service *City Service Area: Aviation Services*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 8. Reductions in Airport Communication Center Services (247,530)

This reduction is a one-time decrease in funding for three vacant Communication Services Operator (CSO) and one vacant Senior Communication Services Operator positions. The reduction decreases staffing levels in the Airport Communications Center (ACC) by one CSO per shift (day and swing), seven days per week. The ACC will operate without a Senior CSO four shifts per week. The decrease in staff delays response times and the effectiveness of the ACC, and results in increased call waiting and operational response times. The Airport's goal of reducing customer hold time by 50% will not be achievable. The staff reduction limits the training opportunities of the remaining staff resulting in no staff reaching the goal of 40 hours of annual training. (Ongoing savings: \$0)

#### Performance Results:

**Cost** The reduction of staff results in decreased flexibility in schedule coverage and could increase levels of overtime comp-time for holidays and vacation coverage by approximately \$52,000. **Customer Satisfaction** The percentage of customers satisfied with Airport information and communications will decrease to 60% from the operational service measure goal of 75%.

##### 9. Gate Management Service (115,533)

The one-time reduction of a vacant Operations Manager, which has remained vacant since the position was added in February 2001, will continue to delay the Airport's ability to implement a gate and baggage handling management system once terminal improvements begin. The gate management program, which allows for a more efficient use of shared gates and other operating facilities, requires a dedicated staff position to develop, coordinate and manage the operation. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** The Airport will not be able to reduce passenger delays due to inefficient usage of available gates. The above action contributed toward the percentage of passengers rating the Airport Facilities as good or excellent being reduced to 65% from the current 2001-2002 rating of 75%.

# Airport Department

## Core Service: Airport Customer Service

City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 10. Redeployment to Support Acoustical Treatment Program (1.00) (105,815)

This reduction represents the redeployment of a filled Principal Engineering Technician from Airport operating to capital funds to support the Acoustical Treatment Program (ACT) located in the Environmental Management core service. The cost savings are associated with an operating overhead reduction and personal services transfer to the Environmental Management core service Area. (Ongoing savings: \$105,815)

#### Performance Results:

**Customer Satisfaction** Increased oversight of contractors will result in an increase in customer satisfaction for homeowners involved in the program. This redeployment also results in a decrease in customer satisfaction in the Airport signage program, as oversight and production of signage will be reduced, impacting measures related to customer satisfaction with Airport facilities. **Cycle Time** Redeployment of the Principal Engineering Technician position to the ACT program will allow for increased production in the treatment of dwellings in the ACT program, contributing to the ability to treat up to 400 homes annually.

##### 11. Department-Wide Travel and Training Reduction (13,753)

Department-wide travel and division training funding have been reduced by approximately 25% as a cost savings measure. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Reduction will limit opportunities to learn and investigate new technologies, new programs, and reduce opportunities to gain from information sharing, networking and benchmarking.

##### 12. Federal Inspection Service Facility Maintenance and Operation 9.00 1,631,263

This addition is necessary to provide staff (9 positions), overhead and non-personal/equipment to support the operation and maintenance of the Federal Inspection Service (FIS) Facility space. This new facility will provide a Gateway to the Silicon Valley for international and domestic travelers and businesses. The replacement facility is scheduled to open in the fall of 2002, and funding was approved to provide general maintenance services (a Maintenance Worker) and ground transportation support (seven Parking Control positions and an Airport Operations Superintendent). Non-personal/equipment support includes: utility costs, baggage and jet bridge maintenance, as well as supplies and contractual service support. (See proposal #13 for additional resources) (Ongoing cost: \$1.9 million)

# Airport Department

## Core Service: Airport Customer Service

City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 12. Federal Inspection Service Facility Maintenance and Operation (Cont'd.)

###### Performance Results:

**Customer Satisfaction** Staff and non-personal/equipment funding will provide limited resources to maintain and operate the facility and provide enhanced travel experience for international travelers. Landside Operations staff will ensure traffic flow and security mandates for parking are met. A new facility will mean additional traffic to Terminal A with new traffic flows and enhanced public access to international travel services. Additional staffing will allow the Airport to maintain its goal of 50% passenger satisfaction with travel time to the terminals.

13. Redeployment of Facilities Program Staff to Support Federal Inspection Service Facility	0.37	31,489
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This redeployment of six vacant positions to support the Federal Inspection Service Facility was approved. These positions would otherwise be able to provide custodial, maintenance and electrical services Airport-wide. The redeployment in staffing and non-personal/equipment reduces ongoing maintenance levels of the existing facilities, already impacted by increased passenger dwell times and aging infrastructure. (Ongoing cost: \$31,489)

###### Performance Results:

**Customer Satisfaction** Staff and non-personal/equipment resources provided to support the new FIS will enable the Airport to maintain and operate the new facility and meet the target rating of 65% of passengers rating facilities as good or excellent. **Quality** Redeployment of staff to the FIS, however, will make it difficult for staff to raise existing facilities work completion rates from 61%. Service levels of ongoing facility cleanliness will also decrease.

## Airport Department

### Core Service: Airport Customer Service

*City Service Area: Aviation Services*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### **BUSINESSES CONSIDER THE AIRPORT AS A PARTNER IN SUPPORTING THE SUCCESS OF THE REGIONAL ECONOMY**

#### **14. Access Control System Maintenance Service (16,500)**

Contractual services associated with maintenance and repair of the Airport's Automated Access Control System (AACS) will be reduced on a one-time basis. The remaining budget will allow the Airport to perform routine maintenance. This one-time reduction will limit the ability of the Airport to continue operations in the event of a system-wide malfunction, without incurring significant additional costs. (Ongoing savings: \$0)

#### **Performance Results:**

**Customer Satisfaction** The reduction of these funds eliminates the opportunity to immediately replace mission critical components if a significant system failure should occur, resulting in operational delays and an overall decline in customer service.

<b>2002-2003 Adopted Core Service Changes Total</b>	<b>8.37</b>	<b>(4,958,647)</b>
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## **Airport Department**

### **Core Service: Airport Environmental Management** *City Service Area: Aviation Services*

### **Core Service Purpose**

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**M**anage the environmental impact of the Airport on the community to ensure that it is a “good neighbor” as it meets the air transportation needs of the region.

#### **Key Operational Services:**

- ☐ **Airport Land and Water Quality**
- ☐ **Airport Noise Management**
- ☐ **Airport Air Quality Management**

### **Performance and Resource Overview**

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**T**his core service is the focus of the Airport’s efforts to being considered a “good neighbor” by surrounding communities. The slowing of the economy and events of September 11 have resulted in reduced activity at the Airport, a substantial drop in revenues, and increased demands on resources to implement new security measures. Reduced activity results in a slight reduction in environmental impacts; however, the associated reduction in revenue limits the Airport’s ability to fund programs focused on mitigating the impacts of its operations on the community. In spite of this, the Airport will maintain its commitment to environmental stewardship. This budget continues existing environmental programs, and expands the Acoustical Treatment (ACT) Program.

Environmental impacts on the community resulting from the operation of the Airport occur in the areas of noise, air quality, traffic, and water quality. The Airport will continue to monitor aircraft noise and to use this information to be responsive to community complaints. During the last year, staff responded to complaints where a return call was requested within one day approximately 98% of the time. Through the end of 2001-2002, the Airport will have treated approximately 1,400 dwellings within the current 65 decibel Community Noise Equivalent Level (CNEL). Acoustical treatment will be extended to approximately 1,200 additional homes identified as being impacted by aircraft noise, and construction will begin this summer on the first 300. In addition, construction will begin on acoustic treatment for the Washington Elementary, Sacred Heart, and Center For Employment and Training schools this summer. A “clean up” group of approximately 110 homes that did not sign up for participation in the original Category I program will also begin construction this summer. A revision to the Airport’s Noise Exposure Map, which is the basis for setting treatment areas, is being updated to add homes in the Rosemary Gardens and Fairway Glen neighborhoods into the ACT Program. To date, the Airport has dedicated over \$70 million in funding to the ACT Program, and an additional \$60.3 million is included in the 2002-2003 Adopted Capital Improvement Program over the next five years to complete the expanded areas. The 2002-2003 Adopted Operating Budget provides for the redeployment of 3.5 positions from Airport operating to capital funds and associated overhead in order to support continued expansion of the ACT program.

# **Airport Department**

## **Core Service: Airport Environmental Management**

*City Service Area: Aviation Services*

### **Performance and Resource Overview (Cont'd.)**

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The Airport continued its leadership role in the area of air quality by implementing a policy to purchase the lowest emitting vehicles feasible. In addition, construction of a compressed natural gas (CNG) fueling station will begin in late summer and will be operational in early 2003. A new fleet of CNG powered shuttle buses is scheduled to be placed into service by spring of 2003, further reducing emissions. Funding continues to be provided in the Adopted Operating Budget to meet regulatory commitments for other environmental issues such as storm water discharge monitoring, hazardous materials management and ground water contamination mitigation.

Future Airport development will include roadway traffic alternatives that should mitigate existing traffic congestion. As part of this effort, intersection levels of service improvements consistent with community expectations are being designed. In addition, an automated people mover connection to First Street is in the development phase to provide alternate transportation to the Airport.

Acres of incompatible land use and reductions to the incompatible land use are dependant on two factors. First, the size and location of the noise contour is dependent on flight activity and operational constraints at the Airport. Secondly, acoustical treatment of homes reduces incompatible residences within the measured noise contour. These residences have only recently been added to the Airport's acoustic treatment program area. As the measured noise contour changes size and location, as a result of seasonal variability, operational constraints at the Airport and changes in flight activity, the area of incompatible land will also change. Ultimately, the area of acoustic treatment in the Washington area (as well as other neighborhoods around the Airport) will exceed the fluctuations in the measured noise contour and create a condition where no incompatible land uses exist.

The completion of approximately 1,400 homes to the Category I ACT program and the addition of treatment recommended to be extended to approximately 1,200 homes in the Washington, Guadalupe, Rosemary Gardens and Fairway Glen neighborhoods will enhance the Airport's performance in the percent of residents rating the Airport as a good environmental neighbor from the current level of 75% to a target of 90%. In addition, focused educational and communication efforts by the Airport Neighborhood Services Group (ANSO) with community customers should improve the Airport's performance in this area.

#### **Performance Measure Development**




The Airport has dropped the measure "% of Airport budget committed to Environmental Programs". This measure is not meaningful with respect to performance in the environmental program. It is not useful to staff in the implementation of the environmental program and does not reflect progress toward goals related to the environmental program. For example, the Airport could increase the budget allocated to the program, but still not make progress toward meeting the goals set for the program. Budget information is more relevant as an activity indicator, and it is recommended that it remain so.

# Airport Department

## Core Service: Airport Environmental Management

*City Service Area: Aviation Services*

### Performance and Resource Overview (Cont'd.)

Airport Environmental Management Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % reduction in acreage of incompatible land uses due to noise issues	(19.0%)	80%	80%	80%
 % of community complaints on noise issues responded to within one day	99%	100%	98%	100%
 % of residents rating the Airport as a good environmental neighbor	61%	90%	75%	90%

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Acres of incompatible land use to noise issues	148.7	-	30	25
Number of dwellings acoustically treated annually	487	175	-	263
Number of environmental noise complaints	1,378	1,400	1,400	1,400
Cost of Airport Environmental Programs per enplaned passenger	\$0.16	\$0.16	\$0.29	\$0.24
Number of dwellings in noise impacted areas *	1,217	-	400	N/A
Number of homes remaining to be treated based on projected year 2006 contour	-	-	180	1,458

\*Based upon measured noise contour--expected to decrease.

Airport Environmental Management Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 2,383,219	\$ 2,393,946	N/A
Non-Personal/Equipment	N/A	N/A	1,269,492	888,130	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 3,652,711</b>	<b>\$ 3,282,076</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>28.70</b>	<b>29.70</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.



# Airport Department

## Core Service: Airport Environmental Management

*City Service Area: Aviation Services*

### Budget Changes By Core Service

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Adopted Core Service Changes	Positions	All Funds (\$)
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#### AIRPORT IS CONSIDERED TO BE A GOOD NEIGHBOR BY THE COMMUNITY

##### 1. Environmental Services Support (189,116)

This reduction represents the one-time deletion of funding for a vacant Environmental Services Specialist (\$93,576), and \$95,540 in contractual services for PASSUR (noise monitoring) System Maintenance, Eco-Pass Program, Flight Tracking, and Asbestos Testing. The reduction is necessary due to fiscal constraints. (Ongoing savings: \$0)

##### Performance Results:

**Cycle Time** The following levels of service will be impacted: delay completion of Hazardous Materials Management Plan; delay completion of Spill Prevention Control and Counter Measure Plan; delay completion of the Airport Fuel Leak Site Investigations; suspend the development of an Airport-wide Environmental Protection Committee (EPC); delay the development and implementation of a Hazardous Waste Management Plan, Solid Waste Recycling and Pollution Prevention Plan, and Annual Environmental Report. The Eco-Pass reduction will hold constant the number of passes provided to employees throughout the Airport.

##### 2. Postponement of Public Outreach Programs (158,000)

A temporary reduction in contractual services funding in the amount of \$158,000 for public outreach programs designed to encourage customers to utilize alternate methods of getting to and from the Airport was approved. The programs impacted include an advertising campaign designed to make passengers aware of transportation options, including the Airport's alternate drop-off location and campaigns to support use of the free Valley Transportation Authority (VTA)/SJC Airport Flyer. (Ongoing savings: \$0)

##### Performance Results:

**Customer Satisfaction** The one-time reduction in funding for alternate transportation programs could lead to a decrease in customers using alternate transportation methods to get to and from the Airport. Recent survey results indicated that the percent of passengers that drove themselves or received a ride to the Airport remained unchanged from last year, while those using commercial taxis/shuttles and public transportation decreased slightly. In addition, by postponing these campaigns, the Airport may lose momentum gained through previous investments in this important area.

# Airport Department

## Core Service: Airport Environmental Management

City Service Area: Aviation Services

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)
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#### AIRPORT IS CONSIDERED TO BE A GOOD NEIGHBOR BY THE COMMUNITY (CONT'D.)

##### 3. Department-Wide Travel and Training Reduction (2,063)

Department-wide travel and division training funding have been reduced by approximately 25% as a cost savings measure. (Ongoing savings: \$0)

##### Performance Results:

**Customer Satisfaction** Reduction will limit opportunities to learn and investigate new technologies, new programs, and reduce opportunities to gain from information sharing, networking and benchmarking.

##### 4. Acoustical Treatment Program Funding Shift 1.00 68,544

This change represents a funding shift of 3.5 filled positions, including the redeployment from Customer Service of a Principal Engineering Technician, supporting the Airport Acoustical Treatment (ACT) Program from an operating to a capital fund (Passenger Facility Charge Fund). The positions support the program to provide structural insulation of residences within the 65db Community Noise Equivalent Level (CNEL) and mitigate noise impacts of Airport activities as mandated. (Ongoing cost: \$68,544)

##### Performance Results:

**Customer Satisfaction** Increased oversight of contractors will result in an increase in customer satisfaction for homeowners involved in the program. The redeployment will result in a decrease in customer satisfaction in the Airport signage program as oversight and production of signage will be reduced, impacting measures related to customer satisfaction with Airport facilities. **Cycle time** Redeployment of the Principal Engineering Technician position to the ACT Program will allow for increased production in the treatment of dwellings in the ACT program.

#### BUSINESSES CONSIDER THE AIRPORT AS A PARTNER IN SUPPORTING THE SUCCESS OF THE REGIONAL ECONOMY

##### 5. Information Technology Program Reduction (90,000)

This reduction decreases the Information Technology Program budget (\$90,000) on a one-time basis and is possible as the result of credits for billing errors that were discovered as part of ongoing billing audits. (Ongoing savings: \$0)

##### Performance Results:

**Quality** Airport will have less operating funds to pursue technology opportunities and upgrades to outdated systems.

2002-2003 Adopted Core Service Changes Total	1.00	(370,635)
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## **Airport Department**

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### **Strategic Support**

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**S**trategic Support represents those services provided within the Department that support and guide the provision of Airport core services. While there are both resources and performance measures associated with Strategic Support at the operational level, these are not presented separately in this document. Resources are allocated to each core service at the level of support provided. Performance Measures are shown only at the core service level. Strategic Support services are designed to improve core service delivery.

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Communications</b>       | <input type="checkbox"/> <b>Information Technology</b> |
| <input type="checkbox"/> <b>Human Resources</b>      | <input type="checkbox"/> <b>Airport Training</b>       |
| <input type="checkbox"/> <b>Financial Management</b> |  |

### **Performance and Resource Overview**

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**S**trategic Support is considered the foundation for all Airport core services. Each Strategic Support function plays a critical role in meeting the Aviation Services CSA's four desired Outcomes and the Airport Department's three core services.

CSA-wide budget reductions and defunded positions cut across several responsibilities within Strategic Support. The work and programs affected by the reductions include Airport safety, facilities maintenance and repair, human resources recruitment and employee transactions as well as training, travel and contractual support staff for short term and specialized projects. Additionally, communication efforts to both the public and internal staff have been affected by the one-time reduction in funding.

Airport managers have worked to redeploy resources and adjust priorities to minimize impacts to critical areas of responsibility and programs. This has resulted in decreases to some performance measures and results in less critical areas.

# Airport Department

## Strategic Support

### Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	N/A	N/A	\$ 7,578,166	\$ 7,288,335	N/A
Non-Personal/Equipment	N/A	N/A	9,673,214	8,919,588	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 17,251,380</b>	<b>\$ 16,207,923</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>82.25</b>	<b>81.94</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT

##### 1. Department-Wide Non-Personal/Equipment Support (248,661)

This one-time reduction decreases funding available for non-personal/equipment including: equipment rental, temporary clerical support, vehicle leases, and supplies in the Finance and Administration Division. Reduction in supplies will also be felt in the Development Division. (Ongoing savings: \$0)

##### Performance Results:

**Cost** This reduction curtails the use of leased vehicles, which will result in higher maintenance and operating costs of existing vehicles and greater reliance on shared/pool vehicles. The reduction also restricts use of supplies and materials to only essential items. **Customer Service** Opportunities to provide special projects such as audits, financial studies, etc. related contractual services support will be further delayed.

# Airport Department

## Strategic Support

### Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 2. Facilities Program Reduction (111,053)

This one-time reduction represents the defunding of positions as described in the prior core services. A percentage of the funding for the following vacant positions has been decreased: Airport Maintenance Supervisor (0.17 FTE), Electrician (0.14 FTE), Facility Repair Worker (0.31 FTE), Maintenance Repair Worker (0.17 FTE), Painter (0.32 FTE), and Senior Office Specialist (0.40 FTE). (Ongoing savings: \$0)

##### Performance Results:

**Quality** Reduction in staff will make it difficult to raise the work order completion rate above 61% due to vacant administrative and managerial staff that develop, track and assign work assignments. Additional maintenance staff have been redeployed to support critical administrative functions including phones, scheduling, daily activity reports and work orders. **Customer Satisfaction** Passenger survey scores rating the Airport Terminals facility conditions, cleanliness, safety, efficiency and responsiveness may decrease and projects would be delayed.

##### 3. Information Technology Maintenance Contracts (97,000)

This one-time reduction decreases funding available for data base processing (\$67,000) and software maintenance contracts (\$30,000). (Ongoing savings: \$0)

##### Performance Results:

**Quality** The above reductions include delays in upgrading non-critical Airport Information Technology and Telecom systems, and changes to service contracts that will extend the response times for repairs. **Customer Service** These changes may result in increased system failures for outdated equipment, and increased downtime due to failures and longer repair response times. These are non-critical systems but failures will impact Airport staff, tenants and the traveling public.

##### 4. Airport Safety Training Program (84,619)

This action represents a one-time reduction in funding for a vacant Safety Analyst responsible for developing and providing Airport and Aviation programs related to safety, emergency response certification and training. (Ongoing savings: \$0)

##### Performance Results:

**Cycle Time** Completion times for special projects will increase from the target 90% completed within requested deadlines to 50% completed.

# Airport Department

## Strategic Support

### Strategic Support Budget Changes (Cont'd.)

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Adopted Strategic Support Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

##### 5. Airport Human Resources Support Services (70,268)

This one-time reduction decreases funding for a vacant Staff Technician responsible for supporting the workload resulting from Airport growth as well as the decentralization of functions previously performed by the City's Human Resources Department. In addition, the position supports the hiring process necessary for implementation of the Master Plan, along with the associated volume of recruitments. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Decrease in customer satisfaction with hiring process measured by percent of positions filled within 45 days of vacancy. However, since the Airport has instituted a hiring freeze the position is not as critical as other positions. It will be necessary to fill the position once hiring begins again.

##### 6. Department-Wide Travel and Training Reduction (50,878)

Department-wide travel and division training funding have been reduced by approximately 25% as a cost savings measure. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** Reduction will limit opportunities to learn and investigate new technologies, new programs, and reduce opportunities to gain from information sharing, networking and benchmarking.

##### 7. Business Development Printing and Mailing Costs (36,813)

This change will temporarily reduce contractual services funding for production and delivery of Airport newsletters. The Airport is examining the use of technology to improve the delivery of timely, accurate information to both internal and external users. This one-time reduction of funding for printing and mailing costs is available as the Airport transitions to electronic distribution of the employee newsletter, *Airport Exchange*, and community newsletter, *Airport Report*. (Ongoing savings: \$0)

#### Performance Results:

**Customer Satisfaction** It is anticipated that customer satisfaction with Airport communication programs will experience a slight decrease, primarily among those without Internet access. The Airport has experienced increased customer complaints due to the elimination of the printed flight guide, and it is anticipated that there might be a similar response to electronic distribution of the *Airport Exchange* and *Airport Report*.

# Airport Department

## Strategic Support

### Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds (\$)
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#### TRAVELERS HAVE A POSITIVE GUEST EXPERIENCE WHILE USING THE AIRPORT (CONT'D.)

- |   |        |          |
|---|--------|----------|
| 8. Redeployment of Facilities Program Staff for Federal Inspection Service Facility | (0.31) | (22,553) |
|---|--------|----------|

This ongoing redeployment represents a reduction in facilities staff available to provide electrical and maintenance services Airport-wide. The reassignment of a vacant Electrician (0.14 FTE) and vacant Maintenance Worker (0.17 FTE) assigned to existing building maintenance service activities is necessary to provide the support necessary to the new Federal Inspection Service Facility (FIS). These positions have been transferred to provide services in the Customer Service core service. (Ongoing savings: \$19,608)

**Performance Results:**

**Quality** Reduction in electrician and maintenance staff will make it difficult to raise the work order completion rate above 61% and reflect an ongoing loss of staff to support existing Airport facilities.

#### BUSINESSES CONSIDER THE AIRPORT AS A PARTNER IN SUPPORTING THE SUCCESS OF THE REGIONAL ECONOMY

- |  |  |           |
|--|--|-----------|
| 9. Financial Advisor Consultant Services |  | (281,900) |
|--|--|-----------|

This reduction decreases funding available on a one-time basis for financial advisory services associated with the development of the Master Plan financing plans, consultant services on complex financial issues and refinancing opportunities for existing debt. (Ongoing savings: \$0)

**Performance Results:**

**Quality** Airport will not have operating funds to pursue expert financial advisors to support debt-financing projects. As allowable, funds for these services will be obtained through capital funds, or reserves as necessary.

- |                               |  |          |
|-------------------------------|--|----------|
| 10. Master Plan Staff Support |  | (39,712) |
|-------------------------------|--|----------|

This one-time reduction decreases funding for a vacant Senior Planner assigned to Master Plan Implementation (0.40 FTE Strategic Support/0.60 FTE Community Air Service). Due to the current airline financial situation, the Airport Master Plan has experienced some delays in projects previously scheduled for this time period. While it is expected these projects will return to the Master Plan schedule within the next 12-18 months, the current impact of this vacancy is minimal. (Ongoing savings: \$0)

**Performance Results:** N/A (Service Never Implemented)

2002-2003 Adopted Strategic Support Changes Total	(0.31)	(1,043,457)
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# Office of the City Attorney

Richard Doyle, City Attorney

## M I S S I O N

**T***he Office of the City Attorney serves as legal counsel to the City, its Boards and Commissions, and the Redevelopment Agency, with the goal of protecting and advancing their interests*

### *Core Services*

#### **Legal Transactions**

Provide oral and written advice on legal issues and prepare documents to implement official City and Redevelopment Agency actions

#### **Legal Representation**

Advocate, defend, and prosecute on behalf of the City and Redevelopment Agency's interests

**Strategic Support:** Office Management and Analysis, Fiscal Control/Budget Preparation, Personnel Administration/Employee Services, Computer Network Management, Facility Management, Records and File Maintenance, Law Library Maintenance, and Overall Contract Administration



# Office of the City Attorney

## Budget Summary

	2001-2002 Adopted	2002-2003 Adopted	Change
Authorized Positions	104.62	100.62	(3.8%)
Department Budget (All Funds)	\$ 12,095,605	\$ 12,957,125	7.1%

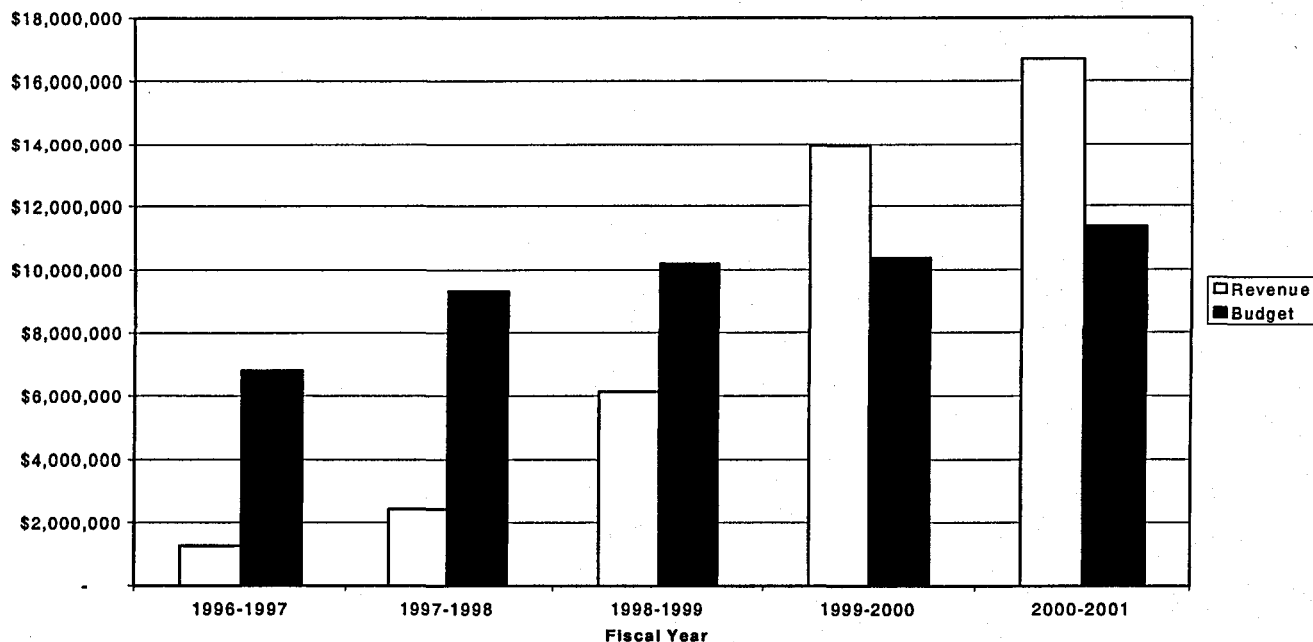
## Budget Highlights 2002-2003

☐ Funding shift from the General Fund to the Workforce Investment Act Fund for 0.5 Deputy City Attorney, 1.0 Legal Analyst, and 0.5 Legal Administrative Assistant.

☐ Administration of the Municipal Health Services Program was transferred to the Parks, Recreation, and Neighborhood Services Department in December of 2001.

**B**udget  
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## Revenue Collected Through Litigation Activity Compared to the Adopted Operating Budget



The City Attorney's Office aggressively seeks to recover damages on behalf of the City and Redevelopment Agency. The chart provides a five-year history comparing revenue collected with the Office's Adopted Operating Budget.

# Office of the City Attorney

## Department Overview

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**T**he Office of the City Attorney provides comprehensive legal services to the City and Redevelopment Agency including the Mayor, City Council, Redevelopment Agency Board, City departments, boards, and commissions. The primary functions of the Office are to provide legal advice and prepare documents consistent with the Office's clients' business objectives and to provide legal representation to advocate, defend and prosecute matters on behalf of the interests of the City and Redevelopment Agency.

### Current and Ongoing Issues

The past year has been challenging from a budgetary perspective. A nationwide recession during the past year, exacerbated by the September 11, 2001 terrorist attack, adversely impacted the City's financial status. In response to the economic downturn and resulting decrease in City revenue, the Mayor directed the Office to immediately reduce its 2001-2002 General Fund expenditures. A \$341,760 reduction was achieved by liquidating contractual encumbrances and holding vacant positions open for the remainder of the year. Staff reassignments and procedural modifications minimized the impact of these reductions on daily operations. Based on current financial indicators and a continued economic downturn, a budgetary imbalance was forecast for 2002-2003. Consequently, the Office developed a budget plan that reduced General Fund expenditures without eliminating filled positions. Budget reduction strategies are discussed later in this report.

As a department that provides strategic support services, the transactional workload is driven by the needs of the Office's clients.

The demand for legal services has not decreased in this changing economic environment. In fact, the legal practice has expanded over the past eighteen months to accommodate the new Animal Services and Workforce Investment Act (WIA) programs, as well as the significant increase in capital projects. This growing demand for legal services has been met with existing resources.

The establishment of City Service Areas (CSA) as a structure to deliver City services and the development of a CSA five-year business plan provides a framework to forecast the legal needs of the City. Therefore, annual reviews of the five-year plans will be performed to identify changes that affect their legal needs. Long range planning is critical for the Office to strategically allocate resources and provide advance staff training to meet the anticipated legal services demand. The ability of the Office to meet the clients' future legal needs will be more difficult with a prolonged economic slowdown. Continuing budget reductions that affect daily operations may impact the quality and timeliness of the legal services provided.

While significant resources are dedicated to projects given priority by the Mayor and City Council, the Office must also perform routine legal work necessary to assist departmental clients in meeting their daily operational requirements. For the past three years, the Office has participated in the Investing in Results program. This program has provided the Office with the opportunity to evaluate and improve the delivery of services to its clients. The 2002 client survey results indicate an overall client satisfaction rating of 86%, an improvement from 78% in 2001.

# Office of the City Attorney

## Department Overview (Cont'd.)

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This high rating indicates that the commitment to provide quality legal services is being recognized by the Office's clients.

### Legal Transactions

The Office has dedicated legal transactional teams to several major City projects. The mandate from the Mayor and City Council to increase the number of affordable housing units remains unaltered by recent events. The Housing legal team continues to work under tight deadlines to process an inordinate number of loan documents, agreements and grants. Airport issues, including the development of the Airport Master Plan, curfew, noise abatement, facility expansion, and litigation have demanded, and continue to require, extensive staff time. The WIA legal team is working closely with the Office of Economic Development to develop systems that will improve efficiencies for this new City Program.

The following ongoing and new projects will also require substantial staff hours during 2002-2003:

- Metcalf Energy Center Project
- South Bay Water Recycling Program
- National Pollution Discharge Elimination System (NPDES) Permits
- Public Contracts Dispute Resolution Process
- Cable franchise renewal negotiations
- Support for legislative initiatives
- Gaming Control Issues

The current economic situation has required the CSA teams to revise business plans and investment strategies in an effort to achieve their goals with more limited resources. The Office is working closely with clients to

restructure existing agreements and explore alternative and innovative financing so that projects can be completed "on time-on budget."

### Legal Representation

Although the primary litigation role of the Office is to defend lawsuits, the Attorney's Office aggressively seeks to recover damages on behalf of the City and Redevelopment Agency in matters such as construction and contractual disputes. For 2000-2001, the Office collected \$16.7 million as a result of the Office's plaintiff work.

The Office has 1,207 active litigation cases involving the City and Redevelopment Agency. All of these litigated matters are handled in-house with the exception of 5 cases that are assigned to outside counsel because of conflicts or specialized litigation issues. The Office continues to handle complex litigation issues related to police, eminent domain, land use, construction and employment.

A number of City and Redevelopment Agency projects have required significant litigation resources. These include Strong Neighborhoods Initiative (SNI), Civic Center Plaza, and the Edenvale, North Coyote Valley and Rincon development projects. These projects have resulted in a number of lawsuits and will continue to add to the litigation caseload in the future.

The work related to SNI remains a high priority. The SNI legal team works closely with other City departments to focus on substandard housing issues, rent control violations, zoning violations, public nuisance violations, and criminal street gang abatements. Since August 2001, the Office has recovered \$195,000 in SNI-related fines.

# Office of the City Attorney

## Department Overview (Cont'd.)

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### Legal Representation (Cont'd.)

The Workers Compensation legal services program includes claim investigation, all phases of discovery and litigation, including appellate review, and departmental advisory services. In addition to managing a caseload of 263 cases, this unit recovered \$273,365 in third party subrogation actions during 2000-2001.

As the administrator for all claims filed against the City and Redevelopment Agency, the Office handled over 650 claims during 2000-2001. Staff investigate claims, conduct surveillance, evaluate liability, negotiate settlements when appropriate, and appear in small claims court to defend the City in disputed matters. The Office is working with other departments to identify areas for improvement that could reduce the City's potential liability exposure to particular types of claims.

### Strategic Support

The Office is currently involved in a major project to install software that will provide claims, litigation, and transactional matter management, as well as a comprehensive document management system. Staff has devoted significant time and effort to this project during the past year. An evaluation of internal processes and an assessment of the Office's future needs were conducted prior to researching the market for the appropriate software product. With the assistance of the

General Services and Information Technology Departments, a robust software program was selected that meets the Office's immediate operational requirements and enables the Office to expand its future ability to manage information on a city-wide basis. The implementation phase is currently in process and the estimated time of project completion is September 2002.

An Office committee responsible for review of various legal research resources has been working diligently throughout the year to ensure that the necessary materials are available to staff in a cost-effective manner. The use of compact disks has been significantly decreased in favor of online research tools. An evaluation of online research vendors is currently being performed, and a new agreement will soon be in place. Further development of the Office intranet site has also been accomplished this year.

After 18 years in the City Attorney's Office, administration of the federally funded Municipal Health Services Program (MHSP) was transferred to the Department of Parks, Recreation and Neighborhood Services (PRNS). Shifting this Medicare Waiver program was made in an effort to align its health-related services with the Community Strengthening Services provided by PRNS. The transition was successfully completed in December 2001.

# Office of the City Attorney

## Department Budget Summary

	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Legal Transactions	N/A	N/A	\$ 5,528,697	\$ 5,528,697	N/A
Legal Representation	N/A	N/A	6,418,258	5,874,698	N/A
Strategic Support	N/A	N/A	1,518,730	1,553,730	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,465,685</b>	<b>\$ 12,957,125</b>	<b>N/A</b>
<b>Dollars by Program</b>					
Departmental Management	\$ 569,504	\$ 581,355	N/A	N/A	N/A
Department Counsel	3,549,783	3,718,478	N/A	N/A	N/A
Gen Counsel-RDA	922,910	981,834	N/A	N/A	N/A
Litigation	4,342,853	4,590,924	N/A	N/A	N/A
Workers' Comp Legal Svcs	511,683	707,658	N/A	N/A	N/A
Claims & Investigations	355,966	368,554	N/A	N/A	N/A
Administrative Services	1,089,019	1,146,802	N/A	N/A	N/A
<b>Total</b>	<b>\$ 11,341,718</b>	<b>\$ 12,095,605</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 9,782,808	\$ 10,740,819	\$ 12,277,708	\$ 11,931,148	11.1%
Overtime	15,262	26,250	29,309	29,309	11.5%
<b>Subtotal</b>	<b>\$ 9,798,070</b>	<b>\$ 10,767,069</b>	<b>\$ 12,307,017</b>	<b>\$ 11,960,457</b>	<b>11.1%</b>
Non-Personal/Equipment	1,543,648	1,328,536	1,158,668	996,668	(25.0%)
<b>Total</b>	<b>\$ 11,341,718</b>	<b>\$ 12,095,605</b>	<b>\$ 13,465,685</b>	<b>\$ 12,957,125</b>	<b>7.1%</b>
<b>Dollars by Fund</b>					
General Fund	\$ 9,721,672	\$ 10,397,487	\$ 11,920,547	\$ 11,149,524	7.2%
Muni Health Svcs Program	375,327	366,035	-	-	(100.0%)
Workforce Investment Act	N/A	N/A	N/A	168,027	N/A
Low/Mod Housing	471,514	498,778	600,141	600,141	20.3%
Treatment Plant Operating	N/A	N/A	N/A	94,436	N/A
Airport Maint & Opers	469,479	517,212	592,322	592,322	14.5%
Sewer Svc & Use Charge	303,726	316,093	352,675	352,675	11.6%
<b>Total</b>	<b>\$ 11,341,718</b>	<b>\$ 12,095,605</b>	<b>\$ 13,465,685</b>	<b>\$ 12,957,125</b>	<b>7.1%</b>
<b>Authorized Positions</b>	<b>101.62</b>	<b>104.62</b>	<b>100.62</b>	<b>100.62</b>	<b>(3.8%)</b>

Note: The City of San Jose is in the final year of a three year transition to a Performance-Based Budget. As a main step in the process, all departments and City Council appointees identified their major lines of business or "Core Services" delivered to customers. Departmental budget sections are now presented by Core Services, rather than Programs, with performance measures and adopted budget changes detailed. For fiscal year 2002-2003 (as part of the budget transition), Program information is now only available for the display of 2000-2001 Actual and 2001-2002 Adopted Budget data.

# Office of the City Attorney

## Budget Reconciliation

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2001-2002):</b>	<b>104.62</b>	<b>12,095,605</b>	<b>10,397,487</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
● Rebudget: Update CityLaw Litigation and Claims Software		(95,000)	(95,000)
● Rebudget: Central File System Database		(30,000)	(30,000)
● Elimination of One-Time Funds Related to SNI		(15,000)	(15,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(140,000)</b>	<b>(140,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
● Salary/Benefit Changes and the following position reallocations:		1,865,983	1,652,928
- 4.0 Senior Deputy City Attorneys to Deputy City Attorneys			
- Legal Analyst to Associate Legal Analyst			
● 1% non-personal COLA		11,232	11,232
● Transfer of Municipal Health Services Program to Parks, Recreation, and Neighborhood Services Dept.	(4.00)	(366,035)	0
● Changes in vehicle maintenance and operations costs		(1,100)	(1,100)
<b>Technical Adjustments Subtotal:</b>	<b>(4.00)</b>	<b>1,510,080</b>	<b>1,663,060</b>
<b>2001-2002 Forecast Base Budget:</b>	<b>100.62</b>	<b>13,465,685</b>	<b>11,920,547</b>
<b>Investments/Budget Proposals Approved</b>			
<b>Legal Transactions</b>			
- Funding Reallocation for Workforce Investment Act Legal Team		0	(168,027)
<b>Legal Transactions Subtotal:</b>	<b>0.00</b>	<b>0</b>	<b>(168,027)</b>
<b>Legal Representation</b>			
- Delay Hiring for Current and Anticipated Vacancies		(346,560)	(346,560)
- Liquidation of Encumbrances for Contractual Services		(197,000)	(197,000)
- Funding Reallocation for Litigation Division		0	(94,436)
<b>Legal Representation Subtotal:</b>	<b>0.00</b>	<b>(543,560)</b>	<b>(637,996)</b>
<b>Strategic Support</b>			
- Rebudget: Office Renovation		35,000	35,000
<b>Strategic Support Subtotal:</b>	<b>0.00</b>	<b>35,000</b>	<b>35,000</b>
<b>Total Investment/Budget Proposals Approved</b>	<b>0.00</b>	<b>(508,560)</b>	<b>(771,023)</b>
<b>2002-2003 Adopted Budget Total</b>	<b>100.62</b>	<b>12,957,125</b>	<b>11,149,524</b>

## Office of the City Attorney

### Core Service: Legal Transactions

*City Service Area: Strategic Support*

### Core Service Purpose

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**P**rovide oral and written advice on legal issues and prepare documents to implement official City and Redevelopment Agency actions.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Preparation of ordinances, resolutions, permits, contracts, and other legal documents</b> | <input type="checkbox"/> <b>Oral and written legal advice</b> |
|   | <input type="checkbox"/> <b>Performance of legal research</b> |

### Performance and Resource Overview

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**T**he Office of the City Attorney provides all legal transactional services to the Mayor, City Council, City Manager, City Auditor, Executive Director of the Redevelopment Agency, City Clerk, Independent Police Auditor, City Departments, Redevelopment Agency, and City boards and commissions.

The City Attorney regularly attends meetings of the City Council and Redevelopment Agency Board to provide legal counsel on issues before these bodies. In addition, attorneys attend meetings of all major boards and commissions to provide legal advisory services.

The expansion of City programs and a commitment to increase community service levels has commensurately raised the legal service demand for transactional services. A significant amount of the attorneys' daily time is devoted to providing legal advice and counsel to the clients. Legal research is often necessary to confirm the accuracy of legal advice. It is critical that legal advice includes the information necessary to assist the clients with making informed business decisions.

The Office works closely with City staff to prepare City Council memoranda. This requires ongoing communication and coordination with the department representative to confirm details and to identify and resolve legal issues. Preparation of other legal documents including ordinances, resolutions, and contracts also keep the attorneys integrally involved with all of the City programs and projects.

An important role of the Office is to assist the clients to achieve their business objectives. A performance measure tracks the quality of legal advice to ensure that the legal analysis identifies the legal issues and risks to the City, and provides alternatives where appropriate. The quality of analysis performed by staff is dependent on the clients providing the Office with complete information regarding the business terms under consideration. In a March 11, 2002 client survey, 75% of

# Office of the City Attorney

## Core Service: Legal Transactions

*City Service Area: Strategic Support*

### **Performance and Resource Overview (Cont'd.)**

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respondents were satisfied that the legal advice properly analyzed the legal issues and risks, and provided alternatives to difficult problems. It should be noted that 21% of the respondents gave a neutral rating on this issue. This suggests that while there is opportunity for improvement, only 4% of the respondents were not satisfied with the services received in this area.

This Office strives to ensure that legal documents accurately and completely reflect the material business terms approved by the City. The ability of the Office to accomplish this task is directly related to the quality of the information communicated by the client. The client survey results indicate that 94% of the respondents were satisfied that the documents prepared by this Office accurately reflected the approved City action.

The attorneys provide legal advice in a variety of situations. Whether at meetings or responding to phone calls and e-mail, the Office is committed to providing timely advice in a manner that will not cause unnecessary delays to the clients. The clients also expect the Office to draft legal documents in a timely manner to assist them in achieving their business objectives. The survey results indicate that 76% of the respondents felt that the Office completed its assignments within a mutually acceptable timeframe, a significant increase from the 60% rating in 2001. The survey responses also revealed that 21% of the respondents gave a neutral rating on the timeliness issue. Although the Office will continue to conduct client surveys to assess our progress in this area, a database is being developed to track the status of future assignments. This database will compare the mutually agreed upon completion date with the actual delivery date.

Costs to hire outside private counsel for transactional services vary from \$150 - \$450 per hour. The hourly rates for outside private counsel are based on current rates negotiated by the City for legal service contracts. Rates vary depending on the type of law practice and level of experience and may include a government discount. The in-house Office rate, based on a 40-hour week, averages \$92 per hour including salary, fringe, and overhead for departmental and central service costs. A large percentage of City attorneys average much more than 40 hours per week. It is clearly more cost-effective for the City to have in-house legal counsel.

The client survey showed that 84% of the respondents were satisfied with the overall legal transactional services received from this Office.








# Office of the City Attorney

## Core Service: Legal Transactions

*City Service Area: Strategic Support*

### Performance and Resource Overview (Cont'd.)

Legal Transactions Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of time final documents accurately reflect the approved City and Redevelopment Agency action	95%	100%	94%	100%
 % of time that advice identifies and analyzes legal issues and risks and/or provides alternatives where appropriate	78%	85%	75%	85%
 Cost of advice and documentation compare favorably to law offices of similar size, practice and expertise including other governmental offices				
• City Attorney's Office hourly rate	\$90	\$95	\$92	\$97
• Outside Legal Counsel hourly rate	\$200-\$410	\$200-\$410	\$150-\$450	\$150-\$450
 % of time client receives advice/document within mutually accepted timeframes	60%	75%	76%	75%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	85%	80%	84%	80%

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of Council/Board Manager memoranda:				
Prepared	40	35	78	59
Reviewed	1,803	1,600	1,175	1,500
Number of formal Opinions issued	219	200	902	800
Number of Legislative reviews	695	645	760	630
Number of Conflict of Interest reviews	18	20	19	20
Number of Resolutions	989	758	584	739
Number of Ordinances	297	250	188	260
Number of Agreements	3,577	3,200	3,193	3,200

# Office of the City Attorney

## Core Service: Legal Transactions

*City Service Area: Strategic Support*

### Performance and Resource Overview (Cont'd.)

Legal Transactions Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 5,275,455	\$ 5,275,455	N/A
Non-Personal/Equipment	N/A	N/A	253,242	253,242	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 5,528,697</b>	<b>\$ 5,528,697</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>41.12</b>	<b>41.12</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Office of the City Attorney

## Core Service: Legal Transactions

*City Service Area: Strategic Support*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Funding Reallocation for Workforce Investment Act Legal Team		0	(168,027)

Responsibility for administration of the Workforce Investment Act (WIA) program was transferred from Santa Clara County to the City of San Jose in July 2000. This transfer resulted in an expanded need for legal transactional services, particularly requests for advice, contract drafting, reviewing, and administration in the areas of consultant agreements, Welfare to Work agreements, and vendor training agreements. The City Attorney's Office redeployed existing staff to meet the legal services demand for this new City program. The WIA workload is steadily increasing and the Office has dedicated a legal team (0.5 Deputy City Attorney, 0.9 Legal Analyst, 0.5 Legal Administrative Assistant, 0.1 Senior Legal Analyst) to provide the necessary legal services.

WIA is a federally funded grant program that will replace the General Fund as an ongoing funding source for the WIA legal team in the City Attorney's Office. (Ongoing savings: \$0)

#### Performance Results:

**Cost** This funding shift will result in an ongoing personal services reduction to the General Fund. Hiring outside counsel to provide specialized legal services is a much more expensive alternative for WIA. Outside counsel hourly rates for transactional services range from \$150 - \$450 per hour, compared to the \$92 hourly rate for in-house counsel. **Customer Satisfaction** Providing timely and effective legal services will assist the client with accomplishing their business objectives.

2002-2003 Adopted Core Service Changes Total	0.00	0	(168,027)
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# Office of the City Attorney

## Core Service: Legal Representation

*City Service Area: Strategic Support*

### Core Service Purpose

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**A**dvocate, defend, and prosecute on behalf of the City and Redevelopment Agency's interests.

#### Key Operational Services:

- ☐ **Provide legal representation in virtually all matters, cases, and controversies arising from claims by or against the City and the Redevelopment Agency**
- ☐ **Retain, coordinate, and supervise outside legal counsel that represent the City or the Redevelopment Agency in matters involving litigation**
- ☐ **Prosecute criminal proceedings involving violations of the San Jose Municipal Code**
- ☐ **Provide legal representation before the State and Federal courts, agencies and boards, including the Workers' Compensation Board, and at adversarial hearings before City boards and commissions**
- ☐ **Provide pre-litigation advice and counsel to avoid litigation and to protect the City's interests should litigation occur**

### Performance and Resource Overview

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**L**egal representation is provided by the City Attorney's Office on behalf of the Mayor, City Council, City Manager, City Auditor, Executive Director of the Redevelopment Agency, City Clerk, Independent Police Auditor, City Departments, City and Redevelopment Agency employees, and City boards and commissions.

The purpose of legal representation is to advocate, defend, and prosecute on behalf of the City and Redevelopment Agency's interest. This includes a wide variety of activities and objectives that collectively attempt to minimize civil and financial liability, protect the City's rights and interests, and advance community welfare.

Legal representation services include: general liability claims management; defense of lawsuits against the City; pursuit of contractual indemnities and appropriate insurance tenders; coordination of outside legal counsel; workers' compensation investigations and litigation; initiation of litigation where the City is a plaintiff; prosecution of municipal code violations; seeking injunctions for general nuisance, and gang and drug abatements to promote safer communities. The Office is also proactive in providing pre-litigation advice and counsel in an effort to avoid litigation.

# Office of the City Attorney

## Core Service: Legal Representation

*City Service Area: Strategic Support*

### **Performance and Resource Overview (Cont'd.)**

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The Office currently has 1,207 open litigation files, including criminal, civil and administrative proceedings. Of these matters, 740 are civil lawsuits pending in the state and federal courts. The Police Department accounts for 321 of the open files.

The Litigation Division has 21 permanent attorney positions including the supervising attorneys. This translates into a caseload of about 35 civil court cases and approximately 22 other matters, such as civil service cases, administrative code enforcement appeals, criminal prosecutions, and Pitchess motions, with a total of approximately 57 files per attorney. A litigation attorney position was added in 2001-2002 and the Office has filled all of its vacant attorney positions in this division. This level of staffing reduces the caseload from approximately 66 files per attorney in 2000-2001 and allows for more efficient case management.

In addition to the general litigation handled by the Office, a number of City and Redevelopment Agency projects have added a significant burden to the Litigation Division. These include the Strong Neighborhoods Initiative, Civic Center Plaza, and the Edenvale, North Coyote Valley and Rincon development projects. These projects have resulted in a number of lawsuits and will continue to add to the litigation caseload in the future. This litigation includes a number of nuisance abatement cases brought by the City, lawsuits challenging the Civic Center Plaza and North Coyote Valley developments, and a number of eminent domain actions.

The Office handles all claims filed against the City and Redevelopment Agency. Claims management begins with an investigation that may include witness interviews, gathering evidence, taking photographs or video, and conducting surveillance. Upon completion of an investigation, the facts are reviewed in light of applicable law to determine the appropriate legal action to be taken by the City. If the City's liability is at issue, damages are evaluated prior to settlement negotiation. Legal analysts appear at small claims court to defend the City when necessary.

The Worker's Compensation Division has four attorneys, including one supervising attorney, that are managing a workload of 263 cases consisting of 683 claims. In the last year, the unit assumed coordination of third party subrogation cases that resulted in a total recovery of \$273,365 for 2000-2001. In addition to the revenue generating benefits and cost savings resulting from performing this legal work in-house, the program provides better coordination of cases with multiple claims involving issues related to worker's compensation, retirement, safety, the Americans with Disabilities Act, and the Family Medical Leave Act. The Office also coordinates the Return to Work Program and vocational rehabilitation of injured employees. The Office's investigators perform complex worker's compensation investigations, including virtually all required surveillance work. This service brings the City into compliance with the state-mandated worker's compensation anti-fraud program.

# Office of the City Attorney

## Core Service: Legal Representation

*City Service Area: Strategic Support*

### **Performance and Resource Overview (Cont'd.)**

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A performance measure for quality tracks the percentage of time final case results are consistent with the Office's analyses or recommendations. Final resolution of cases is by way of settlement, trial, or dismissal, depending upon the facts presented and the legal issues involved. It is the responsibility of the Office to provide the client with clear, concise, and realistic recommendations and analyses of potential exposure and/or outcomes. During this past year, 90% of the final case results were within the Office's case assessment.

A recent client survey showed a 32% satisfaction rating from respondents who felt that the Office kept them timely informed of significant developments of a litigated case. While a neutral rating was given by 50% of the respondents for this category, the Office recognizes the importance of maintaining open communication with the client and will work diligently to improve performance in this area. The Office has recently established internal procedures and is currently working with other City departments to develop processes that will address this issue.

Costs to hire outside private counsel for litigation services vary from \$150 - \$450 per hour. The hourly rates for outside private counsel are based on current rates negotiated by the City for legal service contracts. Rates vary depending on the type of law practice and level of experience and may include a government discount. The in-house Office rate, based on a 40-hour week, averages \$92 per hour including salary, fringe, and overhead for departmental and central service costs. A large percentage of City attorneys average much more than 40 hours per week. It is clearly more cost-effective for the City to have in-house legal counsel handle litigated matters.





The client survey showed that 87% of the respondents were satisfied with the overall legal representation services received from this Office, a significant increase from the 69% rating from last year. The Office is extremely pleased with this high client satisfaction rating. The Office will strive to maintain the confidence of the clients and will continue to work to increase performance in the communication area.

# Office of the City Attorney

## Core Service: Legal Representation

City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

Legal Representation Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of time final case results are within staff analyses and/or recommendations	-	75%	90%	75%
 Costs of representation compare favorably to law offices of similar size, practice, and expertise, including other governmental law offices				
• City Attorney's Office hourly rate	\$90	\$95	\$92	\$97
• Outside Legal Counsel hourly rate	\$150-\$325	\$150-\$325	\$150-\$450	\$150-\$450
 % of time client is timely informed of significant developments in a case	54%	90%	32%	80%
 % of survey respondents rating this core service satisfactory or better based on quality, cycle time, and professionalism	69%	80%	87%	80%

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of claims filed against the City	765	711	645	700
Number of lawsuits filed against the City	258	275	187	249
Number of lawsuits and administrative actions filed or initiated by the City	395	252	375	284

Legal Representation Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 5,562,482	\$ 5,215,922	N/A
Non-Personal/Equipment	N/A	N/A	855,776	658,776	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 6,418,258</b>	<b>\$ 5,874,698</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>45.30</b>	<b>45.30</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Office of the City Attorney

## Core Service: Legal Representation

*City Service Area: Strategic Support*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Delay Hiring for Current and Anticipated Vacancies		(346,560)	(346,560)

Personal services costs represented 89% of the City Attorney's Office budget in 2001-2002. Therefore, it will be necessary to delay hiring decisions on a one-time basis for 2002-2003 in order to reduce the Department's General Fund expenditures. Holding 2.5 positions of the current (Legal Administrative Assistant II, Legal Analyst II) and anticipated (Senior Deputy City Attorney) vacancies open will reduce the Legal Representation General Fund personal services expenditures. (Ongoing savings: \$0)

#### Performance Results:

**Quality** The extended deferral of filling vacant positions will impact the level of service provided to the Office's clients. **Cost** As the legal work cannot be avoided, it may be necessary to contract work to outside counsel, thus increasing the City's non-personal expenditures. Currently, outside counsel demands an hourly rate ranging from \$150-\$450, whereas the 2001-2002 average hourly rate for in-house counsel is \$92, including overhead, benefits and fringe. **Cycle Time and Customer**

**Satisfaction** If the non-personal/equipment budget cannot afford the hiring of outside counsel, then service levels will decrease as the Office's attorneys will have to absorb the expanded duties, resulting in increased cycle times.

2. Liquidation of Encumbrances for Contractual Services		(197,000)	(197,000)
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This one-time reduction liquidates non-personal/equipment encumbrances for expert, consultant, and legal support services contracts. The Office reviewed its encumbrances and selected those services that would have the least impact on the Office's ability to provide timely and quality legal services. (Ongoing savings: \$0)

#### Performance Results:

**Cost** This action will result in a one-time non-personal/equipment reduction to the General Fund.

**Quality** The Office will continue to provide quality legal advice without input from consultants. However, if the litigation division does not have the funding to hire expert witnesses and consultants, it will be more difficult to advocate the City's position. **Cycle Time** Cycle times may increase due to the expanded in-house workload necessary to research issues and prepare for litigation. **Customer Satisfaction** Customer Satisfaction may decline if cycle time increases.



# Office of the City Attorney

## Core Service: Legal Representation

*City Service Area: Strategic Support*

### Budget Changes By Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
3. Funding Reallocation for Litigation Division		0	(94,436)

A funding shift for 0.5 of an existing authorized position (Senior Deputy City Attorney) in the Litigation Division was approved. Environmental Services Department Funds currently fund 2.6 positions in the City Attorney's Office including 0.4 for litigation attorneys. Although this level of funding has remained constant for several years, there has been a significant increase in the litigation work provided to the Environmental Services Department, therefore, a funding shift to the Treatment Plant Operating Fund is appropriate. (Ongoing savings: \$0)

#### Performance Results:

**Cost** The funding shift will result in an ongoing personal services reduction to the General Fund. Providing in-house legal counsel at an average cost of \$92 per hour compares favorably to an average hourly rate between \$150 - \$450 for outside counsel. **Customer Satisfaction** Providing timely and effective legal services will assist the clients with accomplishing their business objectives.

2002-2003 Adopted Core Service Changes Total	0.00	(543,560)	(637,996)
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# Office of the City Attorney

## Strategic Support

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**S**trategic Support represents the services provided within the Office that support and guide the provision of the core services. While there are resources and performance measures associated with strategic support, those are not presented separately in this document. Performance measures are shown only at the core service level, as strategic support services are designed to help improve core service delivery.

Strategic Support within the Office of the City Attorney includes:

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Office Management and Analysis</b>             | <input type="checkbox"/> <b>Computer Network Management</b>     |
| <input type="checkbox"/> <b>Fiscal Control/Budget Preparation</b>          | <input type="checkbox"/> <b>Facility Management</b>             |
| <input type="checkbox"/> <b>Personnel Administration/Employee Services</b> | <input type="checkbox"/> <b>Law Library Maintenance</b>         |
| <input type="checkbox"/> <b>Record and File Maintenance</b>                | <input type="checkbox"/> <b>Overall Contract Administration</b> |

## Performance and Resource Overview

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**T**he San Jose City Attorney's Office, as legal counsel for the eleventh largest city in the United States, produces a high volume of work in response to the increased demand for transactional and litigational services. Meeting this demand in a timely manner is accompanied through a team effort from the entire Office. Strategic support staff, the foundation that enables the efficient delivery of services, performs virtually every function necessary for the operation of a law office. Reliance on outside vendors is minimal and generally limited to situations when it is more cost-effective to outsource.

As previously discussed in the department overview, a nationwide recession adversely impacted City revenue and created budgetary shortfalls that required immediate reductions of General Fund expenditures. A comprehensive analysis by the budget staff enabled the Office to achieve reductions that minimized the disruption to daily operations.

A critical shortage of space continues to affect daily operations, with a lack of attorney offices, conference rooms, storage space, and common work areas. This has led to inefficient workflow processes and increased costs, for both out-of-pocket expenses and labor. To assist in dealing with this situation, the Office, in conjunction with the General Services Department, has developed a plan to maximize the use of existing space. The reconfiguration project, which will be funded with unexpended 2001-2002 non-personal funds, involves the relocation of staff to create space for an additional conference room and a redesign of the lobby area to enhance security.

# Office of the City Attorney

## Strategic Support

### Performance and Resource Overview (Cont'd.)

Strategic Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	N/A	N/A	\$ 1,469,080	\$ 1,469,080	N/A
Non-Personal/Equipment	N/A	N/A	49,650	84,650	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 1,518,730</b>	<b>\$ 1,553,730</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>14.20</b>	<b>14.20</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
1. Rebudget: Office Renovation		35,000	35,000
<p>The rebudget of unexpended 2001-2002 funds will allow the department to enact a space reconfiguration plan that has been developed to maximize the use of existing space. The reconfiguration project involves the relocation of staff to create space for an additional conference room, and a redesign of the lobby area to enhance security. (Ongoing cost: \$0)</p> <p><b>Performance Results:</b> N/A (Final Budget Modification)</p>			
<b>2002-2003 Adopted Strategic Support Changes Total</b>	<b>0.00</b>	<b>35,000</b>	<b>35,000</b>

# Office of the City Auditor

Gerald Silva, City Auditor

## M I S S I O N

**I** *ndependently assess and report on City operations  
and services*

### *Core Services*

#### **Audit Services**

Identify ways to increase the economy, efficiency, effectiveness, and accountability of city government and provide independent, reliable, accurate, and timely information to the City Council and other stakeholders

**Strategic Support:** Administrative and network support

## Office of the City Auditor

### Budget Summary

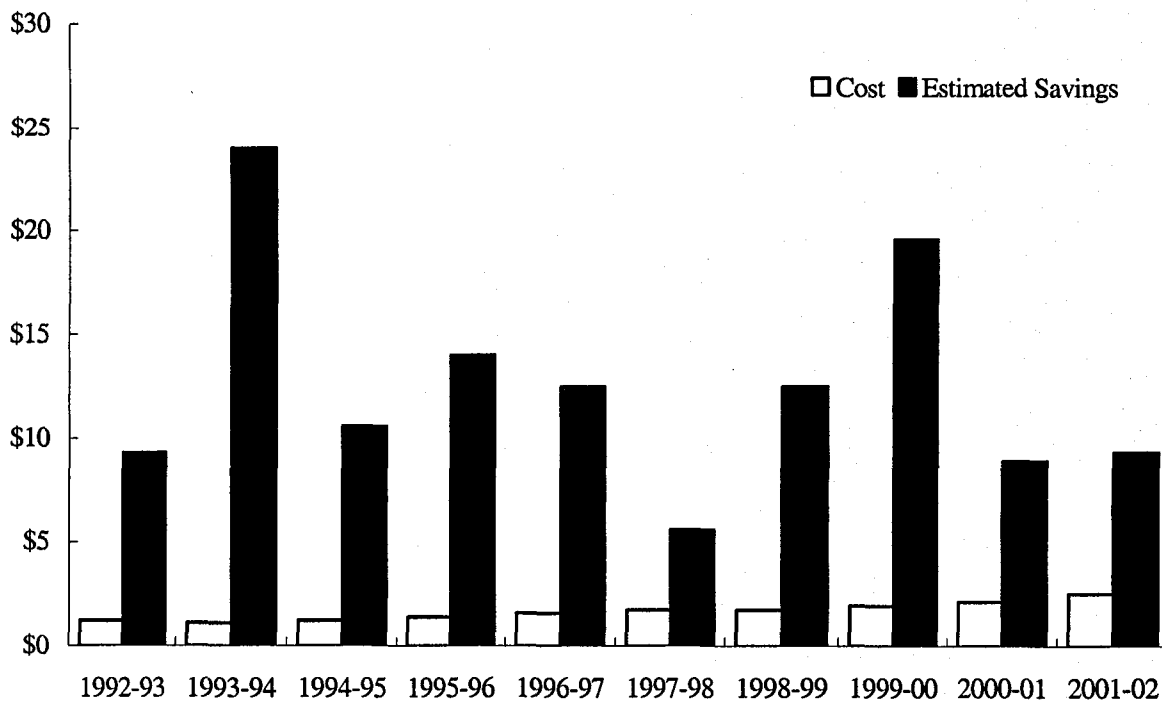
	2001-2002 Adopted	2002-2003 Adopted	Change
Authorized Positions	20.00	20.00	0.0%
Department Budget (All Funds)	\$ 2,301,302	\$ 2,385,056	3.6%

### Budget Highlights 2002-2003

- ☐ A temporary reduction in audit resources is approved for 2002-2003.
- ☐ The rebudget of 2001-2002 funds will allow the Office to complete the purchase of office equipment.

## Budget Byte

### Auditor Estimates for Savings and Costs of Program Performance Auditing (in \$ Millions)



# Office of the City Auditor

## Department Overview

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**T**he Office of the City Auditor provides audit services that identify ways to increase the economy, efficiency, effectiveness and accountability of City government and provide independent, reliable, accurate and timely information to the City Council and other stakeholders. The Office also provides revenue audits that obtain and analyze information from numerous data sources to ensure that the City of San Jose receives all of the revenues to which it is entitled.

The Office has developed a Business Plan that outlines the following 5-year goals and objectives:

- Identify ways to reduce costs or enhance revenues;
- Identify ways to increase the economy, efficiency, and effectiveness of City government; and
- Provide independent, reliable, accurate, and timely information to the City Council.

### Audit Services

The audit services core service is largely responsible for conducting performance audits and specialized audits. The City of San Jose has realized many benefits as a result, including: maximizing City revenues by identifying opportunities for new revenues or cost savings, managing City resources in an economical and efficient manner, and identifying causes of inefficiencies in internal and administrative procedures. The audits also improve the effectiveness and efficiency of the auditees, for example, by helping them to safeguard assets, to check the accuracy and

reliability of accounting data, and to ensure compliance with laws, regulations, policies or generally-accepted industry standards.

Audit reports and special studies have also provided reliable, objective, and timely information to decision-makers and the public. This information has assisted the City Council and City Administration in making needed policy and administrative changes and has informed the public about the management of City government.

For 2002-2003, in an effort to more closely align the Office's expenditures with current economic conditions, the Department plans to reduce its overall usage of office equipment and outside consultants. Additionally, the Office will encourage readers to borrow and return audit reports in lieu of photocopying to reduce copy service costs. The Department will also realize one-time savings in personal services by holding vacant two positions, including a Senior Program Performance Auditor for a portion of the year, and an Office Specialist position for the entire fiscal year.

A rebudget of unexpended funds from 2001-2002 was also approved for the Office of the City Auditor. The funds will replace office equipment including networking needs such as a printer, a server, a back-up tape drive, and anti-virus updates. The Office also plans to modify various ergonomic office furnishings.

# Office of the City Auditor

## Department Budget Summary

	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Audit Services	N/A	N/A	\$ 2,163,442	\$ 2,085,882	
Strategic Support	N/A	N/A	299,174	299,174	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,462,616</b>	<b>\$ 2,385,056</b>	<b>N/A</b>
<b>Dollars by Program</b>					
City Auditor	2,147,750	2,301,302	N/A	N/A	N/A
<b>Total</b>	<b>\$ 2,147,750</b>	<b>\$ 2,301,302</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 2,057,979	\$ 2,217,936	\$ 2,378,416	\$ 2,306,856	4.0%
Overtime	1,752	-	-	-	0.0%
<b>Subtotal</b>	<b>\$ 2,059,731</b>	<b>\$ 2,217,936</b>	<b>\$ 2,378,416</b>	<b>\$ 2,306,856</b>	<b>4.0%</b>
Non-Personal/Equipment	88,019	83,366	84,200	78,200	(6.2%)
<b>Total</b>	<b>\$ 2,147,750</b>	<b>\$ 2,301,302</b>	<b>\$ 2,462,616</b>	<b>\$ 2,385,056</b>	<b>3.6%</b>
<b>Dollars by Fund</b>					
General Fund	2,147,750	2,301,302	2,462,616	2,385,056	3.6%
<b>Total</b>	<b>\$ 2,147,750</b>	<b>\$ 2,301,302</b>	<b>\$ 2,462,616</b>	<b>\$ 2,385,056</b>	<b>3.6%</b>
<b>Authorized Positions</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>20.00</b>	<b>0.0%</b>

Note: The City of San Jose is in the final year of a three year transition to a Performance-Based Budget. As a main step in the process, all departments and City Council appointees identified their major lines of business or "Core Services" delivered to customers. Departmental budget sections are now presented by Core Services, rather than Programs, with performance measures and adopted budget changes detailed. For fiscal year 2002-2003 (as part of the budget transition), Program information is now only available for the display of 2000-2001 Actual and 2001-2002 Adopted Budget data.

# Office of the City Auditor

## Budget Reconciliation

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2001-2002):</b>	20.00	2,301,302	2,301,302
<b>Base Adjustments</b>			
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		160,480	160,480
- 1.0 Senior Program Performance Auditor to Program Performance Auditor I			
- 1.0 Senior Program Performance Auditor to Supervising Auditor			
• 1% non-personal COLA		834	834
<b>Technical Adjustments Subtotal:</b>	0.00	161,314	161,314
<b>2002-2003 Forecast Base Budget:</b>	20.00	2,462,616	2,462,616
<b>Investments/Budget Proposals Approved</b>			
<b>Audit Services</b>			
- Temporary Audit Resources Reduction		(96,560)	(96,560)
- Rebudget: Office Equipment		19,000	19,000
<b>Audit Services Subtotal:</b>	0.00	(77,560)	(77,560)
<b>Total Investments/Budget Proposals Approved</b>	0.00	(77,560)	(77,560)
<b>2002-2003 Adopted Budget Total</b>	20.00	2,385,056	2,385,056



## Office of the City Auditor

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**Core Service: Audit Services**  
*City Service Area: Strategic Support*

### Core Service Purpose

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**A**udit Services identify ways to increase the economy, efficiency, effectiveness and accountability of City government and provide independent, reliable, accurate and timely information to the City Council and other stakeholders.

#### Key Operational Services:

- |   |  |
|---|--|
| <input type="checkbox"/> <b>Conduct performance audits</b>            | <input type="checkbox"/> <b>Conduct other revenue audits</b>                                     |
| <input type="checkbox"/> <b>Conduct special audits and reviews</b>    | <input type="checkbox"/> <b>Facilitate annual financial audit and quarterly card room audits</b> |
| <input type="checkbox"/> <b>Conduct sales and business tax audits</b> | <input type="checkbox"/> <b>Recommendation follow-up</b>   |

### Performance and Resource Overview

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**A**udit Services benefit the City in a number of ways. Some audit reports present ways to reduce costs or increase revenues. Other audit reports identify opportunities to increase effectiveness, use resources more efficiently, and improve internal controls. In addition, a variety of special studies and analyses provide objective, timely information to the City Council, City Administration, and the general public.

The audit workplan for 2001-2002 included 30 assignments that will be completed or result in the issuance of at least one audit report by the end of the fiscal year, and one assignment that will be completed during 2002-2003. Audit reports issued during 2001-2002 will have included approximately 80 recommendations and are expected to identify about \$8.7 million in estimated benefits. During 2002-2003, the Office will focus on providing reliable and effective audit services through efficient use of existing resources.

The Office tracks the implementation status of approved audit recommendations. Since May 1985, the Administration has implemented approximately 93 percent of the City Auditor's audit recommendations. Furthermore, it is expected that at least 80 percent of recommendations made last year will be implemented within twelve months.










# Office of the City Auditor

Core Service: Audit Services  
City Service Area: Strategic Support

## Performance and Resource Overview (Cont'd.)

### Performance Measure Development

The Auditor's Office developed surveys for its customer service performance measures and is now trying to electronically administer the surveys to collect the appropriate data. The Office experienced technical difficulties with the City's survey software and is working with the Information Technology Department to resolve these issues.

Audit Services Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % audit recommendations adopted by the City Council	100%	95%	100%	95%
 % audit recommendations implemented within one year of adoption	69%	80%	65%	80%
 Ratio estimated audit benefit to audit cost	\$4.20 to 1	\$4 to 1	\$9 to 1	\$4 to 1
 Ratio actual to estimated audit benefit	-	-	\$1.12 to 1	\$1 to 1
 % approved workplan completed or substantially completed during the fiscal year	82%	100%	77%	100%
 % of audits completed within 30 days of the projected completion date	83%	90%	97%	90%
 % of City Council members rating the reliability, timeliness and value of audit services good or excellent	-	-	100%	95%
 % of auditees rating the reliability, timeliness and value of audit services good or excellent	-	-	92%	95%
 % business and sales tax customers rating professionalism of audit services good to excellent	-	-	93%	95%

# Office of the City Auditor

## Core Service: Audit Services

City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of audit reports issued	17	22	29	22
Number of audit recommendations adopted	71	70	70	70
Number of audit reports per auditor	1.5 to 1	1.5 to 1	2.1 to 1	1.5 to 1
Estimated audit benefits (i.e., cost savings and revenue enhancements)	\$19,270,000	\$8,700,000	\$8,700,000	\$8,700,000
Actual audit benefits (i.e. cost savings and revenues received)	-	-	TBD	TBD
Number of businesses or other entities brought into compliance or assisted	2,800	4,000	4,000	4,000

Audit Services Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 2,082,621	\$ 2,011,061	N/A
Non-Personal/Equipment	N/A	N/A	80,821	74,821	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,163,442</b>	<b>\$ 2,085,882</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>18.00</b>	<b>18.00</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

# Office of the City Auditor

## Core Service: Audit Services

City Service Area: Strategic Support

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Temporary Audit Resources Reduction		(96,560)	(96,560)
<p>This action will result in one-time personal services savings of \$71,560, by holding an Office Specialist position and Senior Program Performance Auditor position vacant for 2002-2003. The Office Specialist position has been vacant since March 2002, and the Office will continue to hold it vacant for 2002-2003. The Senior Program Performance Auditor is expected to be on leave for a portion of 2002-2003. Additionally, the Office will reduce or eliminate the usage of office equipment and outside consultants, saving one-time funding of \$25,000. Because copy services will be reduced, the Office will continue to encourage readers to return audit reports when no longer needed to mitigate the impact of the reduction. In addition, the audit staff is investigating ways to convert to electronic audit workpapers. (Ongoing savings: \$0)</p>			
<p><b>Performance Results:</b> <b>Customer Satisfaction</b> The vacancies may directly or indirectly impact the Office's ability to accomplish its objectives, i.e. to identify ways to increase the economy, efficiency, effectiveness, and accountability of City government. The actual effect, however, of the decrease in audit resources due to the unfilled positions is unknown at this time.</p>			
2. Rebudget: Office Equipment		19,000	19,000
<p>This action rebudgets unexpended 2001-2002 funds to complete the purchase of office equipment. (Ongoing cost: \$0)</p>			
<p><b>Performance Results:</b> N/A (Final Budget Modification)</p>			
2002-2003 Adopted Core Service Changes Total	0.00	(77,560)	(77,560)

## Office of the City Auditor

### Strategic Support

**S**trategic Support represents services provided within the Office that support and guide the provision of the core service. Strategic support within the Office of the City Auditor includes:

☐ **Administrative Support**

☐ **Network Support**

### Performance and Resource Overview

**S**trategic support is an ongoing requirement to provide the Core Service of the Office. For 2002-2003, there are no resource changes.

Strategic Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	N/A	N/A	\$ 295,795	\$ 295,795	N/A
Non-Personal/Equipment	N/A	N/A	3,379	3,379	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 299,174</b>	<b>\$ 299,174</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>2.00</b>	<b>2.00</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

# Office of the City Clerk

Patricia L. O'Hearn, City Clerk

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**M**aximize public access to municipal  
government

## *Core Services*

### **Facilitate the City's Legislative Process**

Maximize public access to the City's legislative processes by maintaining the legislative history of the City Council and certain commissions and complying with election laws

**Strategic Support:** Long Range Planning & Policy  
Development, Financial Management, Employee Services

# Office of the City Clerk

## Budget Summary

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	2001-2002 Adopted	2002-2003 Adopted	Change
Authorized Positions	17.50	16.50	(5.7%)
Department Budget (All Funds)	\$ 1,725,446	\$ 1,529,411	(11.4%)

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## Budget Highlights 2002-2003

- 
- |  |   |
|--|---|
| <input type="checkbox"/> The transfer of one Network Technician to the Information Technology Department to ensure consistency with the city-wide web team was approved. | <input type="checkbox"/> Reduction of \$200,000 in election cost fees was approved as only one Council District election will be held in November 2002. |
|--|---|

## Department Overview

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**T**he Office of the City Clerk's primary purpose is to facilitate the City's legislative process. The Office works closely with the Mayor's Office and City Council to coordinate the collection, preparation, and maintenance of such things as the Council agendas, synopses, and minutes of Council proceedings. The Office also maintains the Legislative History File, the Municipal Code, and the Council Policy Manual. All documents are prepared and/or coordinated through the Clerk's Office and are made available to the public.

The Office also administers the appointments of the following committees: the Council's Rules Committee, the Civil Service Commission, the Campaign Finance Review and Ethics Board, and the Council Salary Setting Commission. In addition, the Office provides administrative support to these committees as well as personnel, fiscal, and budgetary support services to the Mayor and Council Offices.

### Facilitate the City's Legislative Process

The Adopted 2001-2002 Budget for the Office of the City Clerk included funding for a web coordinator position to support the City Clerk's web site. During the 2001-2002 Mid-Year Budget process, the web coordinator position was transferred to the Information Technology Department to ensure appropriate training and overall coordination with the city-wide web team. The position will, however, continue to update and support the City Clerk's web site.

The Adopted 2002-2003 Budget includes technical adjustments for salary and election costs and also includes the Finance and Infrastructure Committee's recommendation of a one-time reduction of \$200,000 in election funding, to reflect the anticipated lower than expected cost of the November, 2002 election. Costs will be significantly reduced since the March 2002 election results solidified the re-

# Office of the City Clerk

## Department Overview (Cont'd.)

Facilitate the City's Legislative Process (Cont'd.)

state-wide gubernatorial election is taking place. The result is an overall cost savings to the City.

election of the Mayor and four of the five District Council members. Additionally, the cost of an election to the City is less when a

## Department Budget Summary

	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Facilitate City's Legislative Process	N/A	N/A	\$ 1,558,869	\$ 1,358,869	N/A
Strategic Support	N/A	N/A	\$ 170,542	\$ 170,542	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,729,411</b>	<b>\$ 1,529,411</b>	<b>N/A</b>
<b>Dollars by Program</b>					
City Clerk	\$ 1,712,711	\$ 1,725,446	N/A	N/A	N/A
<b>Total</b>	<b>\$ 1,712,711</b>	<b>\$ 1,725,446</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 1,098,871	\$ 1,228,832	\$ 1,266,985	\$ 1,266,985	3.1%
Overtime	91	1,486	1,575	1,575	6.0%
<b>Subtotal</b>	<b>\$ 1,098,962</b>	<b>\$ 1,230,318</b>	<b>\$ 1,268,560</b>	<b>\$ 1,268,560</b>	<b>3.1%</b>
Non-Personal/Equipment	613,749	495,128	460,851	260,851	(47.3%)
<b>Total</b>	<b>\$ 1,712,711</b>	<b>\$ 1,725,446</b>	<b>\$ 1,729,411</b>	<b>\$ 1,529,411</b>	<b>(11.4%)</b>
<b>Dollars by Fund</b>					
General Fund	\$ 1,712,711	\$ 1,725,446	\$ 1,729,411	\$ 1,529,411	(11.4%)
<b>Total</b>	<b>\$ 1,712,711</b>	<b>\$ 1,725,446</b>	<b>\$ 1,729,411</b>	<b>\$ 1,529,411</b>	<b>(11.4%)</b>
<b>Authorized Positions</b>	<b>16.50</b>	<b>17.50</b>	<b>16.50</b>	<b>16.50</b>	<b>(5.7%)</b>

Note: The City of San Jose is in the final year of a three year transition to a Performance-Based Budget. As a main step in the process, all departments and City Council appointees identified their major lines of business or "Core Services" delivered to customers. Departmental budget sections are now presented by Core Services, rather than Programs, with performance measures and adopted budget changes detailed. For fiscal year 2002-2003 (as part of the budget transition), Program information is now only available for the display of 2000-2001 Actual and 2001-2002 Adopted Budget data.



# Office of the City Clerk

## Budget Reconciliation

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2001-2002):	17.50	1,725,446	1,725,446
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Electronic Filing of Campaign Disclosure Statements		(50,000)	(50,000)
• Elimination of One-Time Funding for Network Technician		(5,573)	(5,573)
One-time Prior Year Expenditures Subtotal:	0.00	(55,573)	(55,573)
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes		103,976	103,976
• Transfer of Network Technician to IT Department	(1.00)	(65,734)	(65,734)
• Registrar of voters cost increase		20,000	20,000
• 1% non-personal COLA		1,296	1,296
Technical Adjustments Subtotal:	(1.00)	59,538	59,538
2002-2003 Forecast Base Budget:	16.50	1,729,411	1,729,411
<b>Investment/Budget Proposals Approved</b>			
<b>Facilitate the City's Legislative Process</b>			
- November 2002 Election Costs		(200,000)	(200,000)
Facilitate the City's Legislative Process Subtotal:	0.00	(200,000)	(200,000)
Total Investment/Budget Proposals Approved	0.00	(200,000)	(200,000)
2002-2003 Adopted Budget Total	16.50	1,529,411	1,529,411

## Office of the City Clerk

### Core Service: Facilitate the City's Legislative Process

*City Service Area: Strategic Support*

### Core Service Purpose

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**M**aximize public access to the City's legislative processes by maintaining and making available the Legislative History of the City Council and certain commissions and complying with election and Political Reform Act laws.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Prepare and distribute City Council meeting agenda, packet, synopsis and minutes</b> | <input type="checkbox"/> <b>Provide administrative support services to the Mayor's Office and to individual City Council Offices</b> |
| <input type="checkbox"/> <b>Index and input legislative actions of the City Council into filing systems</b>      | <input type="checkbox"/> <b>Respond to requests for information from customers</b>   |
| <input type="checkbox"/> <b>Conduct board and commission recruitments/appointments</b>                           | <input type="checkbox"/> <b>Conduct all municipal elections in coordination with the County</b>                                      |
| <input type="checkbox"/> <b>Process contract documents for the City</b>  | <input type="checkbox"/> <b>Accept, review, and make public all campaign finance disclosure forms</b>                                |
| <input type="checkbox"/> <b>Publish all legally required notices for the City</b>                                | <input type="checkbox"/> <b>Conduct employee/retiree elections for certain boards and commissions</b>                                |

### Performance and Resource Overview

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**T**he Office of the City Clerk assists the City Council in accomplishing the legislative process and making that process readily accessible to the public. Personnel, fiscal and budgetary support services are provided to the Mayor and Council Offices. Board and Commission recruitment and appointment processes are administered and staffing is provided to Boards, Commissions and Committees that the Clerk's Office oversees (such as the Council's Rules Committee, the Civil Service Commission, Project Diversity Screening Committee, and the Campaign Finance and Ethics Review Board). Elections are conducted in accordance with the City Charter, the Municipal Code and the Election Code of the State of California for the purpose of electing City Council Members and the Mayor at the appropriate times and to submit measures to the electorate.

Ongoing issues include making the legislative process more accessible to the community while meeting weekly deadlines; filing and retrieving records of City Council actions and supporting material dating from the 1850s to the present; continuing to review and administer highly complex election laws; and researching methodologies for taking advantage of available technologies. The Office is working closely with the City Manager's Office to streamline the City Council and City Council Subcommittee agenda/packet process to place more information and reports on the City Clerk's web page. While the immediate result will be increased access to the documents that make

## Office of the City Clerk

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### Core Service: Facilitate the City's Legislative Process

*City Service Area: Strategic Support*

### **Performance and Resource Overview (Cont'd.)**

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up current agenda packets, in the future this will build and improve access to the City Council's Legislative History. Last year's addition of a departmental web coordinator, now housed in the Information Technology Department, is critical to this effort and will provide more technical expertise in researching and evaluating updated methods to maximize access to the legislative process.

#### **Performance Measure Development**

The performance measure "% of campaign financial disclosure filings available on the web" is being deleted for at least one year. The methodology and technology being developed State-wide has not advanced as expected, so no data is available pertaining to this measure. The measure will be reinstated if and when a tool for collecting this data becomes available.









For the eight other measures shown for this office, no methodology has yet been developed to collect data or set targets. Per the Mayor's June Budget message, the Office will be completing a methodology and will report back to the City Council within 120 days of the adoption of the budget. As an example, the City Council meeting agendas, synopses and available reports continue to be posted on the web as soon as they are received, and the methodology overall for meaningful data collection on the web-related performance measures is still to be developed. The current systems for creating the agendas and reports would require cumbersome manual counting and logging to gather the data for the measures. The Office of the City Clerk is working with the Information Technology Department and the Office of the City Manager to develop a more streamlined agenda creation process in the next fiscal year and a data collection capability which will be designed to provide useful and meaningful statistics. The same agenda creation process will eventually be integrated with the Clerk's Legislative History so data for the future measure of cost effectiveness of documenting and tracking Council legislative actions can be collected. The Finance and Infrastructure Committee's recommendation to evaluate available databases for conversion of the legacy Legislative History will again provide an opportunity to integrate systems for efficiencies and performance tracking. When such a system is in place, the timeliness measure about information retrieval can also be tracked without using a cumbersome manual log. In the next year, staff will also continue to develop a survey for customers to rate the efficiency and accessibility of the information services provided.

# Office of the City Clerk

## Core Service: Facilitate the City's Legislative Process

*City Service Area: Strategic Support*

### Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of Council agenda items available on the web 11 days prior to the meeting	-	-	-	TBD
 Estimated cost to document & track legislative actions per Council meeting (future measure)	-	-	-	TBD
 % of information retrieval requests fulfilled within the time specified	-	-	-	TBD
 % of Council reports available at least 72 hours prior to a Council Meeting	-	-	-	TBD
 % of Council reports posted on the web within 24 hours of receiving them	-	-	-	TBD
 % of Committee agendas available on the web 7 days prior to the meeting	-	-	-	TBD
 % of customers rating the accessibility of info. services provided as good or excellent	-	-	-	TBD
 % of customers rating the Clerk's service delivery as efficient	-	-	-	TBD

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of meetings staffed	145	175	171	175
Number of board/commission applications processed	185	125	225	200
Number of requests for information	-	4,500	-	-
Number of contracts processed	-	3,200	2,500	2,600
Number of Council agenda items	-	2,000	2,000	2,000
Number of Statements of Economic Interests processed	-	1,450	1,525	1,575
Number of campaign filings processed	-	265	260	275
Number of column inches published	-	4,100	TBD	4,100

# Office of the City Clerk

## Core Service: Facilitate the City's Legislative Process City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

Facilitate the City's Legislative Process Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	\$ 1,116,149	\$ 1,116,149	N/A
Non-Personal/Equipment	N/A	N/A	442,720	242,720	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,558,869</b>	<b>\$ 1,358,869</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>14.50</b>	<b>14.50</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

### Budget Changes By Core Services

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. November 2002 Election Costs		(200,000)	(200,000)
<p>The results of the March 2002 election solidified the re-election of candidates. The Mayor and the candidates in four of the five Council Districts were elected outright. There will be only one run-off election in Council District 7 planned for the November 2002 election. As well, the cost to the City of an election in a single Council District is less when a State-wide gubernatorial election is taking place, resulting in overall savings to the City. (Ongoing savings: \$0)</p>			
<b>Performance Results:</b>			
<p><b>Quality</b> This action will have no adverse effects, nor will it affect the integrity of the election process. This adjustment more closely aligns the costs of the election with the amount budgeted.</p>			
<b>2002-2003 Adopted Core Service Changes Total</b>	<b>0.00</b>	<b>(200,000)</b>	<b>(200,000)</b>

## Office of the City Clerk

### Strategic Support

**S**trategic Support represents the services provided within the Office that support and guide the provision of the core services.

☐ **Long Range Planning & Policy Development**

☐ **Financial Management**  
☐ **Employee Services**

### Performance and Resource Overview

**S**trategic support is an ongoing requirement to provide the core service of the Office. For 2002-2003, there are no resource changes.

Strategic Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	N/A	N/A	\$ 152,411	\$ 152,411	N/A
Non-Personal/Equipment	N/A	N/A	18,131	18,131	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,542</b>	<b>\$ 170,542</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>2.00</b>	<b>2.00</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere in this budget.

# Office of the City Manager

Del D. Borgsdorf, City Manager

## M I S S I O N

**P**rovide strategic leadership that supports the Mayor and the City Council and motivates and challenges the organization to deliver high quality services that meet the community's needs

### Core Services

**Analyze, Develop, and Recommend Public Policy**

Provide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy

**Lead and Advance the Organization**

Advance organizational vision, determine accountability, set organizational goals, and build organizational capacity

**Manage and Coordinate City-Wide Service Delivery**

Provide strategic direction and management for city-wide operations and service delivery

**Strategic Support:** Clerical Support and Financial Management

# Office of the City Manager

## Budget Summary

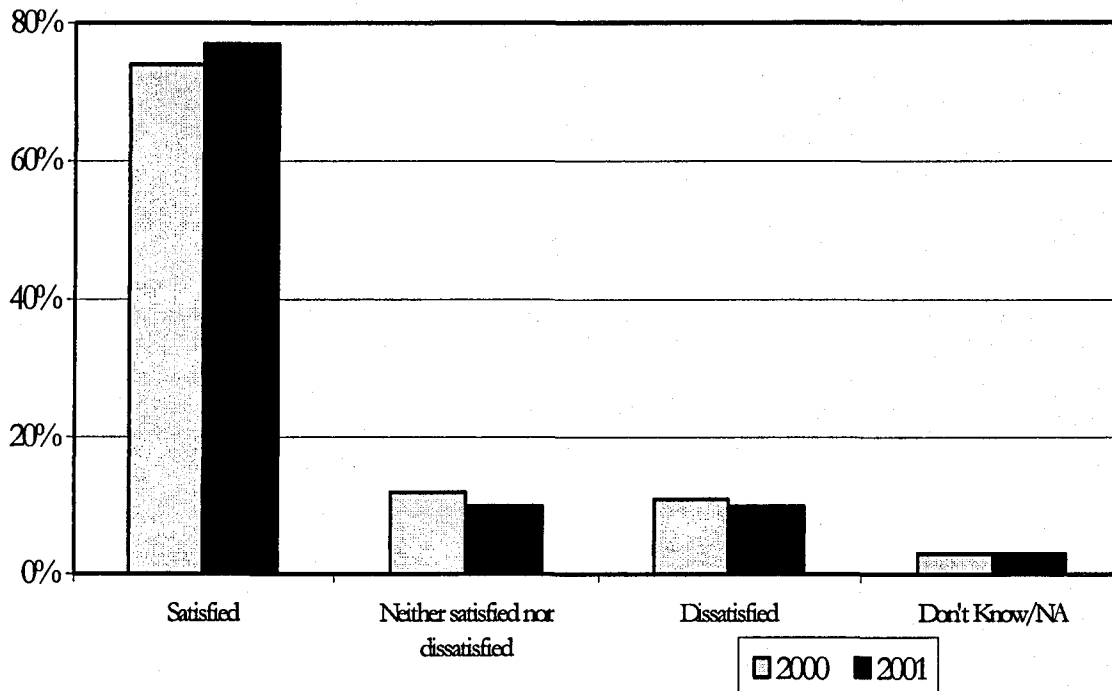
	2001-2002 Adopted	2002-2003 Adopted	Change
Authorized Positions	65.50	71.00	8.4%
Department Budget (All Funds)	\$ 7,774,685	\$ 8,684,557	11.7%

## Budget Highlights 2002-2003

- ☐ Redeployments and funding shifts are included to support the on-time, on-budget delivery of the City's Capital Improvement Program.
- ☐ Staff consolidations and redeployments are included to achieve efficiencies in the Office's delivery of employee services and its support of city-wide service delivery.
- ☐ Merger of the Manager's Budget Office and the QUEST Partnership is included to continue the City's efforts to become a performance-driven organization.

## Budget Byte

### Overall Rating of the Quality of San Jose City Services





# Office of the City Manager

## Department Overview

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**A**s provided by the City Charter and in accordance with policies and direction of the City Council, the City Manager is the Chief Administrative Officer of the City. This position is responsible for the enforcement of all laws and ordinances, coordination of all municipal programs and executive supervision of all City departments, agencies, and offices.

In delivering these services, the City Manager's Office is organized into these functional areas: Council Relations and Council/Committee Support; Public Policy Development and Implementation; Intergovernmental Relations; Strong Neighborhoods Initiative; Major Capital Project Support; Public Education and Community Outreach; QUEST Partnership; Employee Relations; and the Budget Office. The Offices of Emergency Services, Economic Development, and the Customer Service Call Center are also part of the City Manager's administrative structure, but are discussed elsewhere in this document.

The Fair Employment and Disability Access function was transferred from the Office of Equality Assurance to the Office of Employee Relations to consolidate resources and increase efficiencies. It is anticipated that this change will improve services to employees by providing a single point of contact for questions regarding their rights and protections, grievance and complaint review, and information on the City's employment policies.

### **Analyze, Develop, and Recommend Public Policy**

The Office's primary role in this core service is to assist the City Council in its policy setting role. To some extent, all of the efforts described in this section relate to this core service.

A key focus in this area during 2002-2003 will be to bolster the Office's proactive support for Councilmembers in their efforts to influence legislative outcomes at the federal, State, and regional levels.

As part of this budget, the Budget Office and the QUEST Partnership will be merged, a natural evolution in the Office's efforts to craft budget documents and strategies that assist the Council in making resource decisions that are directly linked to performance.

### **Lead and Advance the Organization**

In 2002-2003, the Office will continue to focus on improving the quality and timeliness of service delivery, and emphasize the importance of taking a cross-departmental, results-oriented approach to reaching that goal. City Service Areas (CSA's) contribute to that by setting performance targets, developing business plans and investment strategies, and working on service issues. The Strong Neighborhoods Initiative (SNI) contributes with an approach that produces tangible improvement plans while building a lasting connection between neighborhood residents and City staff.

Many other efforts have been made to reach across department lines: the Development Cabinet, the Integrated Technology Planning Board, and the Communications Roundtable are but a few examples of formal and informal initiatives the Office and the organization have undertaken. These efforts are helping make real progress toward breaking down departmental silos and creating an organizational culture focused on results for the City's residents and businesses.

# Office of the City Manager

## Department Overview (Cont'd.)

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### Manage and Coordinate City-Wide Service Delivery

The Manager's Office must constantly adapt to changing events, service needs, and Council priorities. Its focus is on helping the City organization align to the right priorities, and providing the support it needs to be successful in meeting those priorities and coordinating city-wide service delivery.

In support of the City's "Decade of Investment", particularly the park, library, and Neighborhood Security Act bonds passed by the voters in the last two elections, the Office is dedicating additional resources to ensure that capital projects are delivered on time and on budget.

A number of actions in this budget will help accomplish that. The Office has already created, using existing resources, a Capital Projects Action Team. The team will be tracking the progress of projects against the budget and schedule, assisting in removing any potential barriers for projects, and

supplementing public outreach efforts to ensure that these projects are built in partnership with the communities they will serve.

Other key priorities for which the Manager's Office will be focused during 2002-2003 include:

- Strong Neighborhoods Initiative implementation
- Economic development strategies
- Recycle Plus program transition
- Traffic calming
- Security safeguards
- Public safety services
- Development services improvements
- Airport Master Plan
- Pick Up San Jose anti-litter campaign
- Supporting education and safe schools
- Trail system
- New Civic Center
- Employee services improvements
- Technology improvements

# Office of the City Manager

## Department Budget Summary

	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Dollars by Core Service</b>					
Analyze, Develop and Recommend Public Policy	N/A	N/A	3,299,870	3,170,293	N/A
Lead and Advance the Organization	N/A	N/A	2,157,660	1,961,189	N/A
Manage and Coordinate City-Wide Service Delivery	N/A	N/A	3,047,330	3,132,044	N/A
Strategic Support	N/A	N/A	518,145	421,031	N/A
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,023,005</b>	<b>\$ 8,684,557</b>	<b>N/A</b>
<b>Dollars by Program</b>					
Office of the City Manager	\$ 4,108,586	\$ 4,936,847	N/A	N/A	N/A
Office of Employee Relations	511,288	856,262	N/A	N/A	N/A
Budget Office	1,939,814	1,981,576	N/A	N/A	N/A
<b>Total</b>	<b>\$ 6,559,688</b>	<b>\$ 7,774,685</b>	<b>\$ -</b>	<b>\$ -</b>	<b>N/A</b>
<b>Dollars by Category</b>					
Personal Services					
Salaries/Benefits	\$ 5,666,091	\$ 6,727,998	\$ 8,132,503	\$ 7,794,055	15.8%
Overtime	61,827	68,697	78,697	78,697	14.6%
<b>Subtotal</b>	<b>\$ 5,727,918</b>	<b>\$ 6,796,695</b>	<b>\$ 8,211,200</b>	<b>\$ 7,872,752</b>	<b>15.8%</b>
Non-Personal/Equipment	831,770	977,990	811,805	811,805	(17.0%)
<b>Total</b>	<b>\$ 6,559,688</b>	<b>\$ 7,774,685</b>	<b>\$ 9,023,005</b>	<b>\$ 8,684,557</b>	<b>11.7%</b>
<b>Dollars by Fund</b>					
General Fund	\$ 5,727,404	\$ 6,884,119	\$ 7,649,315	\$ 6,912,376	0.4%
Airport Maint & Opers	106,278	111,956	120,606	120,606	7.7%
Integrated Waste Mgmt	5,231	6,649	6,875	6,875	3.4%
Low/Moderate Housing	39,372	48,379	50,412	50,412	4.2%
Sewer Svc & Use Charge	25,017	27,815	28,534	28,534	2.6%
Storm Sewer Operating	654	831	-	-	(100.0%)
Water Pollution Control	72,975	84,726	87,337	87,337	3.1%
Water Utility	1,962	2,494	2,578	2,578	3.4%
Capital Funds	580,795	607,716	1,077,348	1,475,839	142.9%
<b>Total</b>	<b>\$ 6,559,688</b>	<b>\$ 7,774,685</b>	<b>\$ 9,023,005</b>	<b>\$ 8,684,557</b>	<b>11.7%</b>
<b>Authorized Positions</b>	<b>65.50</b>	<b>65.50</b>	<b>73.00</b>	<b>71.00</b>	<b>8.4%</b>

Note: The City of San Jose is in the final year of a three year transition to a Performance-Based Budget. As a main step in the process, all departments and City Council appointees identified their major lines of business or "Core Services" delivered to customers. Departmental budget sections are now presented by Core Services, rather than Programs, with performance measures and adopted budget changes detailed. For fiscal year 2002-2003 (as part of the budget transition), Program information is now only available for the display of 2000-2001 Actual and 2001-2002 Adopted Budget data.

# Office of the City Manager

## Budget Reconciliation

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
<b>Prior Year Budget (2001-2002):</b>	<b>65.50</b>	<b>7,774,685</b>	<b>6,884,119</b>
<b>Base Adjustments</b>			
<b>One-Time Prior Year Expenditures Deleted</b>			
• Rebudget: Budget Office computers		(55,000)	(55,000)
• Rebudget: Employee Relations performance and discipline systems		(65,000)	(65,000)
<b>One-time Prior Year Expenditures Subtotal:</b>	<b>0.00</b>	<b>(120,000)</b>	<b>(120,000)</b>
<b>Technical Adjustments to Costs of Ongoing Activities</b>			
• Salary/benefit changes and the following position reallocations:		563,356	585,444
- Administrative Officer to Senior Executive Analyst			
- Analyst to Sr. Executive Analyst			
- 2.0 Employee Relations Rep. to Sr. Executive Analysts			
- Executive Analyst to Sr. Executive Analyst			
- Government Access Station Manager to Program Manager			
- 2.0 Senior Budget Analysts to Senior Executive Analysts			
- Staff Technician to Staff Specialist			
- .5 Part-time Video Technician to 1.0 Video Multi Media Producer	0.50		
- Video Technician to Video Multi Media Producer			
- Word/Micro Processor Operator to Senior Office Specialist			
• Capital Improvement Program Action Team transfer from Public Works (1.0 Assistant to the City Manager, 2.0 Senior Executive Analysts), and PRNS (1.0 Senior Executive Analyst) Departments	4.00	503,280	0
• Personal Services and non-personal/equipment transfer from Office of Equality Assurance to reflect reorganization of fair employment and disability access functions (Senior Executive Analyst, Executive Analyst, Disability Access Coordinator)	3.00	295,303	295,303
• Decrease in non-personal funding to provide for Webmaster position in the Employee Services Department		(10,500)	(10,500)
• Budget documents printing costs increase		10,700	10,700
• Washington Lobbyist contractual services increase		3,521	1,589
• Sacramento Office lease and parking space costs		1,600	1,600
• COLA increase for Manager's Office copy machine		860	860
• Changes in vehicle maintenance and operations costs		200	200
<b>Technical Adjustments Subtotal:</b>	<b>7.50</b>	<b>1,368,320</b>	<b>885,196</b>
<b>2002-2003 Forecast Base Budget:</b>	<b>73.00</b>	<b>9,023,005</b>	<b>7,649,315</b>

# Office of the City Manager

## Budget Reconciliation (Cont'd.)

(2001-2002 Adopted to 2002-2003 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
<hr/> <b>Investments/Budget Proposals Approved</b> <hr/>			
<b>Analyze, Develop and Recommend Public Policy</b>			
- Public Safety Bond Projects Redeployment	(0.75)	(129,577)	(129,577)
<b>Analyze, Develop and Recommend Public Policy Subtotal:</b>	<u>(0.75)</u>	<u>(129,577)</u>	<u>(129,577)</u>
<b>Lead and Advance the Organization</b>			
- Merger of Budget Office and QUEST Partnership	(1.00)	(105,272)	(105,272)
- Employee Services Consolidation and Redeployment	(1.00)	(91,199)	(91,199)
<b>Lead and Advance the Organization Subtotal:</b>	<u>(2.00)</u>	<u>(196,471)</u>	<u>(196,471)</u>
<b>Manage and Coordinate City-Wide Service Delivery</b>			
- Conversion of Positions to Capital Funding		0	(195,760)
- Staff Consolidation and Redeployment	(0.50)	(118,017)	(118,017)
- Public Safety Bond Redeployment	0.75	129,577	0
- Administrative Support Redeployment to Capital Improvement Program Action Team	1.00	73,154	0
- Domestic Violence Program Enhancement	1.00	0	0
<b>Manage and Coordinate City-Wide Svc. Delivery Subtotal:</b>	<u>2.25</u>	<u>84,714</u>	<u>(313,777)</u>
<b>Strategic Support</b>			
- Administrative Support Redeployment to Capital Improvement Program Action Team	(1.00)	(73,154)	(73,154)
- Staff Consolidation and Redeployment	(0.50)	(23,960)	(23,960)
<b>Strategic Support Subtotal:</b>	<u>(1.50)</u>	<u>(97,114)</u>	<u>(97,114)</u>
<b>Total Investment/Budget Proposals Approved</b>	<b>(2.00)</b>	<b>(338,448)</b>	<b>(736,939)</b>
<hr/>			
<b>2002-2003 Adopted Budget Total</b>	<b>71.00</b>	<b>8,684,557</b>	<b>6,912,376</b>

## Office of the City Manager

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### Core Service: Analyze, Develop, and Recommend Public Policy

*City Service Area: Strategic Support*

### Core Service Purpose

---

**P**rovide professional expertise and support to the City Council in the formulation, interpretation, and application of public policy.

#### Key Operational Services:

- |   |   |
|---|---|
| <input type="checkbox"/> <b>Council Relations and<br/>Council/Committee Support</b> | <input type="checkbox"/> <b>Intergovernmental Relations</b> |
| <input type="checkbox"/> <b>Public Policy Development</b>                           | <input type="checkbox"/> <b>Budget</b>                      |

### Performance and Resource Overview

---

**T**he City Manager's Office works to ensure that the City Council can rely on thorough, strategic, and impartial staff work in support of its decisions on City policy. The Council Relations and Budget staffs focus on those goals, as well as assisting Council and its committees with logistics and other information needs. In addition, the Intergovernmental Relations staff assists Council in its efforts to influence policy-making and legislation in other government jurisdictions.

In 2001-2002, Office staff assisted in coordinating the Council's first full-scale Policy Priority Setting Session, and will continue to support Council's efforts to help set priorities for the organization. Another program implemented during the current fiscal year was a new Council Assistants Training Program, which provides Council assistants with useful information on various City functions and services. These efforts will continue to be at the forefront in 2002-2003.

The Intergovernmental & Council Policy Cabinet was formed to develop and discuss ways to continue to improve the Office's Council Relations activities. A variety of methods will be used, including increased communication with Council on legislative activities, addressing legislative activities through the City Service Area framework, providing enhanced training to staff and Council offices, and reconfiguring staff under the Council Relations Program umbrella to leverage resources.

The decision to merge the Budget Office with the QUEST Partnership was aimed at reflecting the logical progress of the City's efforts to become a performance-driven organization. The merged unit will be responsible for budget development and tracking, performance measure monitoring and revision, program and policy evaluation, leadership on internal service assessments, and internal consulting on process improvements. This change also represents another step toward incorporating the principles of Investing in Results into the way day-to-day work is accomplished.

# Office of the City Manager

## Core Service: Analyze, Develop, and Recommend Public Policy





City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

#### Performance Measure Development

In 2001-2002, the City Manager's Office's three core services and performance measures were presented collectively. For 2002-2003, the core services are presented individually along with the performance measures that most closely relate to the core service.

Methods to obtain the measures related to City Council are being explored in conjunction with the City Attorney's Office.

Analyze, Develop, and Recommend Public Policy Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of City Council saying that their policy priorities are reflected in resource allocations and service delivery*	-	-	-	-
 % variance from budgeted unrestricted ending fund balance for the General Fund	-	-	10%	10%
 % of City Council who are satisfied or very satisfied with the quality and timeliness of policy analyses *	-	-	-	-
 % of City Council who are satisfied with the quality and timeliness of support*	-	-	-	-

\* Under review by the City Attorney's Office.

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of City Council agenda reports approved	2,400	1,350	2,400	2,400
Number of City Council referrals assigned	96	65	85	85
% of Monthly Financial Reports produced on time	100%	100%	100%	100%
Number of City-sponsored bills	4	3	4	3
Number of legislative items reviewed	5,619	3,180	3,558	3,200

## Office of the City Manager

### Core Service: Analyze, Develop, and Recommend Public Policy *City Service Area: Strategic Support*

#### Performance and Resource Overview (Cont'd.)

Analyze, Develop and Recommend Public Policy Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	2,969,948	2,840,371	N/A
Non-Personal/Equipment	N/A	N/A	329,922	329,922	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 3,299,870</b>	<b>\$ 3,170,293</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>27.05</b>	<b>26.30</b>	<b>N/A</b>

- \* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Public Safety Bond Projects Redeployment	(0.75)	(129,577)	(129,577)
This action reassigns a Deputy City Manager to manage the Neighborhood Security Act bond measure projects approved by the voters March 5, 2002. To reflect those new duties, the funding for this position will be shifted from 100% General Fund to 75% Neighborhood Security Act Bond funding and 25% General Fund. As a result of this action, a portion of the Deputy City Manager position (0.75) will move from this core service to the Manage and Coordinate City-Wide Service Delivery Core Service. (Ongoing savings: \$129,577)			
<b>Performance Results:</b>			
<b>Quality</b> This action will improve the City's ability to manage the successful delivery of the public safety bond projects approved by the voters in March 2002.			
<b>2002-2003 Adopted Core Service Changes Total</b>	<b>(0.75)</b>	<b>(129,577)</b>	<b>(129,577)</b>



## Office of the City Manager

### Core Service: Lead and Advance the Organization

*City Service Area: Strategic Support*

### Core Service Purpose

---

**A**dvance organizational vision, determine accountability, set organizational goals, and build organizational capacity.

#### Key Operational Services:

- |  |  |
|--|--|
| <input type="checkbox"/> <b>QUEST Partnership</b>  | <input type="checkbox"/> <b>Fair Employment and Disability</b> |
| <input type="checkbox"/> <b>Employee Relations</b> | <b>Access</b>  |

### Performance and Resource Overview

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**A**lthough this core service lists just three key operational services, it is clearly a central function of the City Manager's Office. Setting a vision and direction that unites the organization and focuses it on a common destination is the foundation for achieving all of the City's goals.

Toward that end, the Manager's Office has set six "corporate priorities" for the City organization that guide the daily efforts of City Service Areas and departments. They are:

- Support for Effective Council Policy-Making
- Performance-Driven Government
- Neighborhood-Focused Service Delivery
- Customer Service
- Employer of Choice
- Effective Use of Technology

These priorities are used as the basis for evaluating managers' performance, for developing plans and strategies, and for reporting on departmental activities. Each priority, done well, will move the City toward the goal of a customer-focused, results-driven organization.

The Fair Employment and Disability Access function has been transferred from the Office of Equality Assurance (OEA) to the Office of Employee Relations (OER). This budget approves the elimination of a vacant Disability Access Coordinator position that was part of the transition. Because the tasks of the positions in OEA are closely related to work being done in OER, the consolidation is intended to increase efficiencies and leverage resources. It is anticipated that this change will improve services to employees by providing a single point of contact for questions regarding their rights and protections, grievance and complaint review, and information on the City's employment policies.

# Office of the City Manager

## Core Service: Lead and Advance the Organization

City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

#### Performance Measure Development

In 2001-2002, the City Manager's Office's three core services and performance measures were presented collectively. For 2002-2003, the core services are presented individually along with the performance measures that most closely relate to the core service.

Performance measures previously presented in the Office of Equality Assurance core service of "Fair Employment and Disability Access" have been moved to this core service. Two of the measures are presented here (one has been changed to reflect Mayor and City Council direction to include a set time period), while the other performance measures associated with this service are operational measures and are not reflected here. In addition, the measure reflecting the number of fair employment complaints related to this core service has been added to the workload highlights, and Equality Assurance data has been added to the measure reflecting the number of training sessions offered.

Lead and Advance the Organization Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
☉ % of employees who agree or strongly agree they understand and support the City's vision to be a customer-focused, results-driven organization	-	-	70%	75%
☉ % of employees who say they utilize performance measures to track results and make improvements	-	-	74%	76%
☉ % of employees who agree or strongly agree they are provided opportunities to make decisions about how to do their jobs	-	-	33%	36%
☉ % of administrative discrimination, harassment and accessibility complaint investigations resulting in a finding of cause	0%	10%	13%	10%
● % of discrimination, harassment and accessibility complaint investigations resolved within 90 days	84%	100%	89%	100%

# Office of the City Manager

## Core Service: Lead and Advance the Organization City Service Area: Strategic Support

### Performance and Resource Overview (Cont'd.)

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of "Step 3" grievances received*	44	40	44	50
Number of training sessions offered by the Office of Employee Relations	25	25	37	36
Number of formal disciplines received	86	60	90	95
Number of external fair employment complaints filed	19	30	43	35

\* Step 3 grievances are defined as the final step in grievance procedure for internal resolution. If grievance is not resolved at Step 3, unions may appeal the grievance to Arbitration. A grievance is considered any dispute between the City and a union regarding the interpretation or application of the written Memorandum of Agreement or the Employer-Employee Resolution #39367, as amended.

Lead and Advance the Organization Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	2,041,398	1,844,927	N/A
Non-Personal/Equipment	N/A	N/A	116,262	116,262	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 2,157,660</b>	<b>\$ 1,961,189</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>18.40</b>	<b>16.40</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

## Office of the City Manager

### Core Service: Lead and Advance the Organization

*City Service Area: Strategic Support*

### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Merger of Budget Office and QUEST Partnership	(1.00)	(105,272)	(105,272)
<p>This action merges the City Manager's Budget Office and the QUEST Partnership. The new unit will be responsible for performance-based budgeting (including budget development and tracking, performance measure monitoring and revision, and program/policy evaluation), leading service assessments, and serving as an internal consultant on process improvements. As part of the consolidation, a vacant Senior Executive Analyst position has been eliminated. (Ongoing savings: \$105,272)</p>			
<p><b>Performance Results:</b> <b>Quality/Cost</b> This change will create efficiencies in the management and staffing of the program, and will consolidate the City's efforts to create a performance-driven organization.</p>			
2. Employee Services Consolidation and Redeployment	(1.00)	(91,199)	(91,199)
<p>This action eliminates the vacant Disability Access Coordinator position that moved to the City Manager's Office from the Office of Equality Assurance as part of the Employee Services Consolidation. The functions of these positions are closely related to work being done in the Office of Employee Relations, particularly in the areas of responding to and investigating employee complaints. In no way will this action affect the City's commitment to accessibility and equal opportunity for persons with disabilities. (Ongoing savings: \$91,199)</p>			
<p><b>Performance Results:</b> <b>Cost</b> Through efficiencies and merged resources, it is expected that the services involved can continue to be delivered at the same level of quality at a lower cost.</p>			
2002-2003 Adopted Core Service Changes Total	(2.00)	(196,471)	(196,471)

## Office of the City Manager

### Core Service: Manage and Coordinate City-Wide Service Delivery

*City Service Area: Strategic Support*

### Core Service Purpose

**P**rovide strategic direction and management for city-wide operations and service delivery.

#### Key Operational Services:

- ☐ **Public Policy Implementation**
- ☐ **Neighborhood Partnerships/Strong Neighborhoods Initiative**
- ☐ **Public Education & Community Outreach**
- ☐ **Major Capital Project Support**

### Performance and Resource Overview

**T**he City Manager's Office leads and coordinates city-wide service initiatives, provides support to departments and CSA's in their service delivery, and provides outreach and other services directly in support of all of the City's services.

The October 2001 community survey confirmed the City's continuing success in this area. Residents' rating of their satisfaction with the overall quality of City services rose from already strong ratings in the 2000 inaugural survey (very satisfied rose from 16% to 18%, overall total satisfied from 74% to 77%). Ratings for key specific services remained high, as shown in the chart below.

Service	Excellent/ Good	Average	Poor/No Opinion
Public library services	68%	18%	14%
Police protection in neighborhoods	67%	20%	13%
Fire prevention and protection	67%	19%	14%
Maintenance of public parks	66%	23%	11%
Maintenance of streets	52%	29%	19%

A key area of service the Manager's Office will focus on in 2002-2003 is capital projects. Park, Library, and Neighborhood Security Act bond measure projects must have a high priority in order to ensure that the City lives up to its commitment to the voters, who supported these projects very strongly. The Office must also support key transportation initiatives (particularly bringing BART to San Jose); the future development of the Airport; and high priority projects in each of the Council Districts.

## Office of the City Manager

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### Core Service: Manage and Coordinate City-Wide Service Delivery *City Service Area: Strategic Support*

#### **Performance and Resource Overview (Cont'd.)**

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The Office will also be focusing on many other key initiatives. Priority goals include:

- Building on the success of the Strong Neighborhoods Initiative by helping the neighborhoods complete their Action Plans, then helping them implement the highest priority initiatives.
- Working closely with the business community to keep our economy strong and vibrant in the face of current economic cycles and the effects of the attacks of September 11.
- Converting the Recycle Plus program to new, simpler collection methods and new contractors in a seamless way.
- Continuing to implement traffic calming measures throughout the City.
- Improving the organization and delivery of development services, employee services, and other key areas.
- Continuing to build partnerships with schools to ensure that San Jose children are free to learn in a safe, nurturing environment.
- Working to ensure that the City's anti-litter efforts are as successful as its anti-graffiti efforts have been, by using the same approach of relying on community involvement and commitment.

#### **Performance Measure Development**

In 2001-2002, the City Manager's Office's three core services and performance measures were presented collectively. For 2002-2003, the core services are presented individually along with the performance measures that most closely relate to the core service.

A previously-listed measure, "% of core services provided at a cost equal to or less than the cost of similar private vendors and/or of comparable cities, where these costs are available," has been dropped because data can only be reported on a case by case basis. Instead, this data will be used in conjunction with benchmarking for competitive efforts.

The 2002-2003 target for the measures "% of core services meeting or exceeding levels established by the City Council" and "% of core services meeting or exceeding their cycle time targets" have been set at lower levels than the 2001-2002 target. The proposed targets represent a more realistic improvement level for one year, and is consistent with the 5-year goals presented in the 5-year Business Plan.








Data for the measure "% of residents who are satisfied or very satisfied with their own knowledge of how to access services they wish to use" is not available because the question was not included on the 2001 Community Survey. The question will be added to future surveys and data will be reported.

# Office of the City Manager

## Core Service: Manage and Coordinate City-Wide Service Delivery

*City Service Area: Strategic Support*

### Performance and Resource Overview (Cont'd.)

Manage and Coordinate City-Wide Service Delivery Performance Summary	2000-2001 Actual	2001-2002 Target	2001-2002 Estimated	2002-2003 Target
 % of core services meeting or exceeding levels established by the City Council	62%	100%	55%	70%
 % of core services using formal customer feedback mechanisms to make improvements in service delivery	-	-	73%	80%
 % of core services meeting or exceeding their cycle time targets	57%	100%	44%	65%
 % of residents that are satisfied or very satisfied with the quality of City services	74%	75%	77%	75%
 % of residents contacting the City who say they are satisfied or very satisfied with the timeliness, courtesy and competence of City employees	79%	80%	79%	80%
 % of residents rating the quality of life in San Jose as good or excellent	-	-	76%	77%
 % of residents who are satisfied or very satisfied with their own knowledge of how to access service which they use	-	-	-	-

Activity & Workload Highlights	2000-2001 Actual	2001-2002 Forecast	2001-2002 Estimated	2002-2003 Forecast
Number of contracts/agreements approved	1064	1300	975	950

## Office of the City Manager

### Core Service: Manage and Coordinate City-Wide Service Delivery *City Service Area: Strategic Support*

#### Performance and Resource Overview (Cont'd.)

Manage & Coordinate City-Wide Service Delivery Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Core Service Budget *</b>					
Personal Services	N/A	N/A	2,727,911	2,812,625	N/A
Non-Personal/Equipment	N/A	N/A	319,419	319,419	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 3,047,330</b>	<b>\$ 3,132,044</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>23.05</b>	<b>25.30</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of this Core Service. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Core Service performance, yet are displayed elsewhere in this budget.

#### Budget Changes By Core Service

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
1. Conversion of Positions to Capital Funding		0	(195,760)

This action shifts the funding for two positions from the General Fund to various capital funds. The first is the Deputy City Manager for Capital Projects, shifting from 100% General Fund to 25% General Fund and 75% Capital funds (various funds would be charged based on an analysis done by the Manager's Budget Office of the benefit received by each fund; adequate funding is available in each of the Capital Funds involved). The second is an Administrative Assistant position, the duties of which include support for the Deputy City Manager for Capital Projects. The funding for this position will change from 100% General Fund to 40% General Fund and 60% Capital funds. (Ongoing savings: \$0)

**Performance Results:**

This action will have no effect on current service levels.



## Office of the City Manager

### Core Service: Manage and Coordinate City-Wide Service Delivery *City Service Area: Strategic Support*

#### Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
2. Staff Consolidation and Redeployment	(0.5)	(118,017)	(118,017)

This action eliminates an Office Specialist position and keeps a vacant Senior Executive Analyst position vacant throughout 2002-2003. A portion of the Office Specialist position (0.5) will be eliminated from the Manage and Coordinate City-Wide Service Delivery Core Service for an ongoing savings of \$23,960. The other portion (0.5) will be eliminated from Strategic Support. One-time savings of \$94,057 will be generated by keeping the Senior Executive Analyst position vacant in 2002-2003. In both cases, remaining staff within the City Manager's Office will be redeployed to absorb the additional workload. (Ongoing savings: \$23,960)

**Performance Results:**

**Cost** This action, and the redeployments necessary for its successful implementation, will allow the Office to continue to deliver current services for 2002-2003. Because of the scope of the duties of the Senior Executive Analyst position, the impact of holding this position vacant on an ongoing basis will be analyzed to determine whether this position can be eliminated.

3. Public Safety Bond Projects Redeployment	0.75	129,577	0
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This action reassigns a Deputy City Manager to manage the Neighborhood Security Act bond projects approved by the voters March 5, 2002. As a result of this action, a portion of the Deputy City Manager position (0.75) will move from the Analyze, Develop, and Recommend Core Service to this core service. To reflect these new duties, the funding for this position will be shifted from 100% General Fund to 75% bond funding and 25% General Fund. (Ongoing cost: \$129,577)

**Performance Results:**

**Quality** This action will improve the City's ability to manage the successful delivery of the public safety bond projects approved by the voters in March 2002.

4. Administrative Support Redeployment to Capital Improvement Program Action Team	1.00	73,154	0
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This action transfers an Administrative Assistant position, assigned to general office support tasks, to the Capital Improvement Program Action Team. This position will move from Strategic Support to this core service. It also converts the position to Staff Technician, and shifts the funding from 100% General Fund to 100% Capital funds. (Ongoing cost: \$73,154)

**Performance Results:**

**Quality** This action will improve the City's ability to manage the successful delivery of capital projects.

## Office of the City Manager

Core Service: Manage and Coordinate City-Wide Service Delivery  
*City Service Area: Strategic Support*

### Budget Changes by Core Service (Cont'd.)

Adopted Core Service Changes	Positions	All Funds (\$)	General Fund (\$)
5. Domestic Violence Program Enhancement	1.00	0	0
<p>This action, as directed in the Mayor's June Budget Message, authorizes the creation of a position dedicated to Domestic Violence issues. This Community Coordinator position will support the City's Domestic Violence Task Force, implement and measure outcomes of Council's priorities to reduce domestic violence, and seek outside resources to leverage the City's investment in domestic violence services. All costs of this position will be funded from existing City-Wide Domestic Violence appropriations. (Ongoing Cost: \$0)</p>			
<b>Performance Results: N/A (Final Budget Modification)</b>			
2002-2003 Adopted Core Service Changes Total	2.25	84,714	(313,777)

## Office of the City Manager

### Strategic Support

**S**trategic Support represents services provided within departments that support and guide the provision of the core services. Strategic Support within the Office of the City Manager includes:

☐ **Clerical Support**

☐ **Financial Management**

### Performance and Resource Overview

**T**he strategic support functions of the Office are essential to the successful provision of core services.

Strategic Support Resource Summary	2000-2001 Actual 1	2001-2002 Adopted 2	2002-2003 Forecast 3	2002-2003 Adopted 4	% Change (2 to 4)
<b>Strategic Support Budget *</b>					
Personal Services	N/A	N/A	471,943	374,829	N/A
Non-Personal/Equipment	N/A	N/A	46,202	46,202	N/A
<b>Total</b>	<b>\$ -</b>	<b>-</b>	<b>518,145</b>	<b>421,031</b>	<b>N/A</b>
<b>Authorized Positions</b>	<b>N/A</b>	<b>N/A</b>	<b>4.50</b>	<b>3.00</b>	<b>N/A</b>

\* The Resource Summary includes all operating allocations within the Department that contribute to the performance of Strategic Support. Note that additional resources from City-Wide Expenses, Special Funds and/or Capital Funds may also contribute to Strategic Support performance, yet are displayed elsewhere budget.

### Strategic Support Budget Changes

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
1. Administrative Support Redeployment to Capital Improvement Program Action Team	(1.00)	(73,154)	(73,154)

This action transfers a vacant Administrative Assistant position, assigned to general office support tasks, to the Capital Improvement Program Action Team. This position will move from Strategic Support to the Manage and Coordinate City-Wide Service Delivery Core Service. It also converts the position to Staff Technician, and shifts the funding from 100% General Fund to 100% Capital funds. (Ongoing savings: \$73,154)

#### Performance Results:

**Quality** This action will improve the City's ability to manage the successful delivery of capital projects.

# Office of the City Manager

## Strategic Support

### Strategic Support Budget Changes (Cont'd.)

Adopted Strategic Support Changes	Positions	All Funds (\$)	General Fund (\$)
2. Staff Consolidation and Redeployment	(0.50)	(23,960)	(23,960)

As approved by the Finance and Infrastructure Committee, this action eliminates an Office Specialist. A portion of this position will be eliminated from Strategic Support (0.5) generating a savings of \$23,960. The other portion of the position (0.5) will be eliminated from the Manage and Coordinate City-Wide Service Delivery Core Service. Remaining staff within the City Manager's Office will be redeployed to absorb the additional workload. (Ongoing savings: \$23,960)

#### Performance Results:

**Cost** This action, and the redeployments necessary to its successful implementation, will allow the Office to deliver current services at lower cost.

2002-2003 Adopted Strategic Support Changes Total	(1.50)	(97,114)	(97,114)
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